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## BREACH OF DIPLOMATIC RELATIONS BETWEEN WEST GERMANY AND YUGOSLAVIA

Statement by Koča Popović

ON THE fifteenth of October a statement was issued in Belgrade to the effect that the Yugoslav Government had decided to recognise the Government of the Democratic Republic of Germany. The reasons guiding the Yugoslav Government to take this decision were clearly set forth.

„As a reply to the Yugoslav Government's step, the Government of the Federal German Republic broke off diplomatic relations with Yugoslavia on the 19th of this month. The reasons for the Federal German Republic's decision were given on the same day by the Foreign Minister, Herr Von Brentano.

„I must say at once that the reasons given in Herr Von Brentano's statement, as well as the statement as a whole, cannot bear the impact of objective criticism made from the point of view of the interests of peace, and of what is customary in international relations during peacetime.

„Firstly, the Government of the Federal German Republic, according to the mentioned statement, puts forward the view that the Yugoslav Government's decision to re-

cognise the Democratic Republic of Germany constitutes interference in the internal affairs of the German people. The statement says further that the Yugoslav step is contrary to the United Nations Charter.

„Such a thesis, is of course, untenable. If Herr Von Brentano's view that the recognition of the Democratic Republic of Germany means interference in the internal affairs of the German people were accepted, then the taking of any stand whatsoever on the German issue and the non-recognition of the Democratic Republic of Germany — either independently or at the request of the Federal German Republic — would also constitute interference. Herr Von Brentano considers, however, that only the taking of an attitude which is not in accord with the attitude and conceptions of the Government of the Federal German Republic is interference in internal affairs.

„Secondly, Herr Von Brentano's statement says that the Yugoslav Government was aware that the Federal German Government would not tolerate the recognition of the Democra-

tic Republic of Germany, since this attitude had been publicly proclaimed.

„It is certainly a strange conception that the mere fact that the attitude of the Government of the Federal German Republic was published, should impose an obligation on other countries. That the Government of the Federal German Republic had made such statement was perfectly well known to the Yugoslav Government. The Government of the Federal German Republic however, should also have known that, as a sovereign and independent country, Yugoslavia could not consider herself bound by such a statement, which, apart from anything else, she considered unrealistic, unreasonable and inopportune.

„Thirdly, Herr Von Brentano's statement asserts that by recognising the Democratic Republic of Germany, the Yugoslav Government ignored the will of the German people and based its action on the policy which supports the idea of two co-equal Germanys, which could re-establish unity through bilateral talks.



„Above all, if it is, a case of the will of the German people, which is, after all, involved, it is clear that since an international problem is in question, every independent country is fully entitled to its own view.

„The dependence of further maintenance of diplomatic relations between the Government of the Federal Republic of Germany and other countries on non-recognition of the Democratic Republic of Germany is suspect in every respect, both from the point of view of international law and from the point of view of what is considered as customary in relations between equal countries. The Federal German Government's statement of October 19 of this year distinctly says that the Yugoslav Government based its action on a political conception which differs from the conception of the Government of the Federal German Republic. Such an argument is hard to grasp and still harder to accept, for it ought to be clear at least today that a sovereign and independent country is not obliged to adopt the political conceptions of other countries.

„In reply to a question put by a journalist Herr Von Brentano arbitrarily classified independent states into three categories, according to their attitude on the question of recognising the Democratic Republic of Germany. In this division, what is and is not permissible for each category is laid down. To divide sovereign states into categories and determine what each one is allowed to do and, at the same time, to speak about respect for the Charter, which rests on sovereign equality and equality of states is, to say the least, strange.

„In explaining the statement of the Federal German Republic that the recognition of the Democratic Republic of Germany is interference in the internal affairs of the German people, Herr Von Brentano contradicted his own thesis. Asked by a journalist whether the severance of diplomatic relations ruled out a reorientation of the Federal German Government's policy towards the eastern European countries, Herr Von Brentano, as the New York Times puts it, made a „fine distinction“. The distinction is really so „fine“ that it is in the sharpest contrast to the Federal German Government's step regarding

the Yugoslav Government. According to Herr Von Brentano's statement the situation is different in the case of countries which established diplomatic relations with the Democratic Republic of Germany before the Federal German Republic announced that it would break off relations with any country doing so. This means that it does not matter if a sovereign country recognises the Government of the Democratic Republic of Germany, but only if it does so while aware of the announced reprisal by the Government of the Federal German Republic.

„The basic point, therefore, according to Herr Von Brentano, is not the act of recognising the Government of the Democratic Republic of Germany but, strange though it may seem, submission or submission — not even to the policy of the Government of Federal German Republic — but to the statement on the forthcoming reprisal. This action of the Federal German Government casts doubt on its intentions in respect of positive changes of policy towards the eastern European countries.

„Apart from this, however, I should like to stress that pretensions to dictate the acts of third countries can become a dangerous precedent, and is impermissible at any rate in the system created by the United Nations Charter. In this particular case, regardless of the fact that we do not in the least wish to identify the Federal German Republic with former Germany, the fact cannot be neglected that such pretensions are directed from Germany towards Yugoslavia, a country which, as a victim of aggression during the last two wars, made enormous sacrifices.

„It is still less conceivable that certain countries should give support to this act of the Government of the Federal German Republic.

„It would be deplorable both on the part of Yugoslavia and on the part of other countries concerned for peace if there prevailed today the political methods and conceptions, which, in the past had disastrous consequences for all the peoples in the world, including the German people.

„The re-introduction of such a policy in the regulating of relations cannot, of course,

be of indifference to those peoples who have such grave experiences in the past. It is, therefore, understandable why these people, both in respect of the mentioned experiences, and in respect of certain apprehensive elements today, should expect that the Government of the Federal German Republic will endeavour to avoid actions reminiscent of the past, which we all agree should be forgotten.

„What in other circumstances and in respect of other countries is called „undergoing an examination“ is not involved here, nor is the fact that the mentioned act has been carried out by a country which is not a United Nations member against a member state which, at the cost of enormous sacrifices, took part in the struggle for precluding such and similar attempts at imposing definite political attitudes and conceptions on independent and sovereign countries. It is, after all, a fact that Yugoslavia was one of the first countries to recognise the Federal German Republic, thus showing that it saw, and wanted to see in it, an equal partner on the international plane. Nevertheless, acts such as that of October 19 inevitably lead to doubts which were also expected to have been finally removed. By such acts, however, these doubts are increased.

„One must, nevertheless, entertain the hopes that the Government of the Federal German Republic will realise not only the impracticability but also the serious danger of such actions, and that it will find the opportunity and strength to alter its decision. We think it would be better and politically sounder for the Government of the Federal German Republic to alter its decision consciously and on the basis of reasonable judgment and adjustment of its policy to the conditions of today, than under pressure of events which must inevitably follow.

„This, in our opinion, would suit the general interests, primarily the interests of the German people; it would be a contribution to the relaxation of international tension and would be on the line of cooperation and understanding in the solution of existing international problems, including the German problem.“

## THE TWENTIETH CENTURY — THE AGE OF SOCIALISM

— ON THE EVE OF THE FORTIETH ANNIVERSARY OF OCTOBER REVOLUTION —

Tanasije MLADENOVIC

THERE is no doubt any more that the twentieth century will enter the history of mankind as one of the stormiest epochs ever experienced by men and nations. We already have one foot in its second half, at least and we can vouch for its exceptional significance in all directions, with considerable certainty and without pretensions to appear to be prophets dreamers or visionaires (although imagination and hard facts frequently intermingle in today's rea-

lity), but simply on the basis of scientifically established facts and evidence.

The last century, the nineteenth, is said to have represented „the golden age“ of modern history, only because of the important revolutions in society and science which took place during it. If the Great French Revolution was decisive event which had exceptional significance in the later development of human society, the discovery of the steam engine undoubtedly conditioned the industrial

revolution, which essentially changed the face of the world.

The twentieth century, in which we live and whose contemporaries we are is marked at its very beginning — at the turn between the century, by three social revolutions, all carried out in a single European country, Czarist Russia, within a period of only twelve years — with surprising speed and enormous consequences, not only for Russia, in which such great and sudden social and



political changes were taking place, but also or the future development — and it is not an exaggeration to say so — of the whole human society.

The first of these three Russian revolutions, the one that broke out at the time of the 1905 Russian-Japanese War and which Lenin described as a „general rehearsal“, ended, as is known, in failure and a Czarist squaring of accounts with the revolutionary forces. But despite its defeat, this „general rehearsal“ produced important political results. Above all, it meant revolutionary baptism for the Russian working class and working peasantry, an experience which could not be gained in any other efficacious way. Furthermore, it revealed the proper relations between the class forces, the real face of all the movements and political parties which took part in it, as well as all that was both positive and negative in the ranks of the revolutionaries. Last but not least, it gave the Russian Revolution, for the first time after the Paris Commune, and not only the Russian Revolution but also the whole international worker's movement, that long-sought and desired workers' and peasant government, in the form of the Soviets.

The Second or February Revolution broke out in Czarist Russia (on February 27, 1917) in the midst of the first imperialist world conflict and ended in the overthrow of Czarism and czarist absolutism. Although the proletariat, in alliance with the peasantry, was both its striking and leading force, power was seized by the bourgeois-democratic coalition represented by the Provisional Government. The government of the armed people, headed by the Soviet of Workers and Soldiers' Deputies, existed parallel with the bourgeois Provisional Government, but unfortunately the Mensheviks and Esers had a preponderating influence in the early months of the Revolution. That is how the historically famous dual-power period came into being — a period which, after a series of changes, was only finally liquidated by the Great October Socialist Revolution.

Regarded from a present-day angle, this stormy and revolutionary period from February till October — a period when the tides of the Revolution flowed and ebbed with astonishing speed, we cannot resist the impression that two things proved of decisive significance for the whole further development and course of events in Russia. The first of these events took place on 9th April 1917 (according to the new calendar) when Lenin, with a group of Russian revolutionary emigrés, after fourteen years spent in exile set out in a sealed railway carriage across Germany on his way back to Russia, in order to place himself at the head of the insurgent masses and personally work in the leadership, directing the revolutionary torrent. The second event occurred when, on

his arrival in the then Petrograd, his famous April theses were published — that mighty weapon of revolutionary strategy and tactics, with which the Bolsheviks won the final victory and successfully carried out the October revolution.

Stefan Zweig wrote the following about the first of these events: „Millions of murderous bullets were fired in the World War, engineers invented the most powerful and far-reaching missiles. But no bullet was so far-reaching, so fateful in modern history as that train filled with the most dangerous and determined revolutionaries of the century...”

Although what Zweig wrote about this event savours a little of the sensationalism which is so frequently encountered in his writings, it is a fact that he placed Lenin's return to Russia and Petrograd among those events in history which he himself so superbly and adequately called „the starry hours of mankind“.

That „starry hour“ was responsible for and led to that other „starry hour“ represented by the April theses, and that is why these two historical events so aptly complement each other, surpassing in their significance much that took place in that brief span when it was a question of „to be or not to be for the socialist revolution and perhaps for socialism generally.“

The victory of the October Revolution, announced by shots from the cruiser „Aurora“ directed on the Winter Palace on the 25th of October (7th November) 1917, was symbolically characterized by many historians and writers as the dawn of mankind — because of these shots and the name of the cruiser, as well as because of the fact that a new era in history was dawning.

But apart from any symbolism, there is no doubt that this revolutionary event and act in world history heralded and indeed ushered in a new epoch — the epoch of socialism.

This is not the occasion for theoretical generalizations from the standpoint of Marxism and scientific Marxist conclusions about mankind's necessary and legitimate way towards socialism, about the necessary and legitimate replacement of the obsolete and exploiting capitalist machinery by the more progressive socialist social and economic system. These have long since been incorporated in the political alphabet, while daily political practice is constantly confirming them.

Socialism has become a reality over huge areas of the Globe, and this is one of the direct results of that strong revolutionary influence which the October Socialist Revolution has been exercising for years. Mo-

reover, it may be said without exaggeration that socialist ideas have pierced the very countries of classical capitalism, where the shell of capitalist economy, even in the bourgeois governments are today compelled to introduce various purely socialist or „socialistic“ measures, in the hope of somehow maintaining the class balance and continuing their class rule.

With socialism, as was perceived a long time ago ends the preliminary history of mankind. And this Marxian „jump from the realm of urgency to the realm of freedom“ — that passage and entry of human society into history through socialism and socialist relations cannot be stopped by anything or anybody, not even the errors, or the attempts of certain dogmatists or, as Lenin liked to call them, talmudists and bureaucratic minds — who wished to fetter the creative Marxist thought by dogmas, schemes or recipes for such and such way to Socialism. All attempts of this kind made so far are to be found in the junkyard of history, covered with a thick layer of dust, and sharing the sad fate of all outworn and obsolete ideas.

But in saying that only with socialism begins the real, actual history of human society, we have not moved further than is indicated by an established and wellknown historical fact. It is necessary — nay, it is urgent — to stress the fact that socialism is no accidental phenomenon, that its advent has been prepared by the entire development of the human society. All the material and spiritual assets of mankind, the whole development of science and engineering, culture and human thought generally — have paved the way both materially and spiritually for this change in the social system. The further development of production, the further development of science and technics, are unimaginable without the establishment of socialist relations.

And just as the invention of the steam engine led to the great capitalist industrial revolution which changed the face of the world, it is more than certain that the latest scientific achievements — especially in physics and chemistry, Einstein's theory of relativity and thermo-nuclear scientific research which, one may say, will not only change the face of the world but also the face of the universe — call for a socialist society as a necessary prerequisite for its full development and unhindered progress.

That is why, after all the experiences which we have gained and are still gaining, we can rightly assert on the fortieth anniversary of the October Revolution, that this century, the twentieth, is the Age of Socialism.



# THE BRIDGE OF RECONCILIATION

— THREE YEARS OF ITALO-YUGOSLAV FRUITFUL COOPERATION —

Dr Anton VRATUŠA

State Under-secretary in the Federal Executive Committee

PEOPLE usually say that a turning point in Yugoslav-Italian relations took place on October 5, 1954. They are right. It was not that the solution of the problem of Trieste, which was affected on that day, completely satisfied anyone. Something more important is connected with the day: the atmosphere of co-operation which was created by that compromise between the two neighbouring countries and the general improvement of relations between the inhabitants of different nationalities in the frontier region. Without any exaggeration, we may say that the Agreement on Trieste, and all the other arrangements connected with it opened bright prospects for the future cooperation of the two countries.

Since then relations have steadily improved. People have gone on with their everyday business. Those who have left — opted to the other side — are endeavouring to do as best as they can in the new place some have returned to their old places. Slogans aimed against the normalization of the situation have less and less influence on people, and we may safely say that the improvement of relations and the realization of the idea that Trieste and the frontier zones should form a bridge between Yugoslavia and Italy now depends on the people and the responsible factors on both sides.

On August 17, 1957, the Italian paper, „Esteri“ wrote that „relations between Italy and Yugoslavia have never been so favourable and well directed as now“, that „there are no problems which could not be solved with a certain amount of good will“. This statement by an influential Italian paper gives a great deal of satisfaction, for we Yugoslavs fully agree with it.

## FAVOURABLE RESULTS

THE development of relations between the two countries has lately been progressing in a desirable direction. Favourable results have been achieved, particularly in economic and cultural relations. In the last three years Italy has been Yugoslavia's second best, and sometimes even best buyer, and third or fourth most important supplier. In the first half of this year the value of Yugoslav exports to Italy was 8,000 million dinars, while that of imports from Italy amounted to about 8,500 million dinars. Technical cooperation between Yugoslav and Italian industrial enterprises has produced good results, to the satisfaction of both sides. We are about to expand this cooperation in the field of agriculture too, and, indeed, the first results in this direction have already been achieved. Following the financial talks which were concluded in Rome on August 1, 1957, measures were proposed for a further step in the liberalization of trade, and for its increase by another 2,000 million dinars a year, for the convertibility of payments and for the formation of a mixed commission which would promote technical cooperation and settle road traffic problems between the two countries.

As is known, an agreement on fisheries was concluded in December 1956, as well as one on special deliveries (February 1957) under which Yugoslavia received a credit of 30 million dollars for purchases of capital equipment in Italy. Italy, like Yugoslavia, is interested in the implementation of the YUGOELEXPORT plan, under which electric power would be exported from Yugoslavia to Italy, Austria, Germany and other countries.

Good results have also been achieved by cooperation in the cultural field. Exchanges of visits, exhibitions, and theatrical and musical ensembles and individual artists are no longer an unusual occurrence. Exchanges of information about the two countries' problems improve their mutual understanding. Programmes of Italian te-

levision stations are viewed in the parts of Yugoslavia where they can be received, and now these stations transmit Yugoslav music regularly. Radio Kopar is listened to in the frontier region and even further afield.

Intensive cooperation in the economic and cultural fields helps to draw the people of the two countries closer together, and to improve their understanding, thus creating favourable conditions also in the field of political relations, particularly for cooperation in the frontier regions. Furthermore, the improvement of relations and cooperation, and the consistent work on the doing away with everything that might remind people of the painful past in the frontier region cannot but influence Yugoslav-Italian relations favourably.

IT MUST, however, be said that there still exist certain difficulties. This is natural, of course, particularly if one takes into account the numerous unsolved problems between the two countries — problems which were created by the war, by the unhappy past of the Slovenes in Italy under fascist rule, and by the mutual suspicion which was deliberately fostered during the National Liberation War by the opponents of democratic and equal relations between the two nationalities.

But, thanks to good will and mutual understanding, work on the solving of problems connected with the Agreement on Trieste is progressing favourably.

Thus, the marking of the new frontier line between the two countries in the region of the former Free Territory of Trieste has been completed. Now mutual efforts must be made to complete this work all along the Italo-Yugoslav border.

Another favorable solution has been that of the question of the rights of persons who had fled from Trieste in face of the fascist terror, and returned to the city after the war. The recognition of these rights is ensured by Article 8 of the Trieste Agreement, and the Italian authorities have issued citizenship papers to most of these persons — on the basis of the Italian law on citizenship. It is to be hoped that these persons will enjoy all the rights guaranteed to them by the Agreement.

The Trieste Agreement also states the Slovene national minority must be given back all their theatres, libraries and such institutions which were taken from them by the fascists. Thus, the first installment has been paid for the construction of a Slovene club in Trieste, which is now being built. An agreement in principle has been reached under which the Slovene cultural society „Dom“ will be given a building in Opčine, just outside Trieste, in place of the cultural institute of the Slovenes in Rojan (suburb of Trieste) which was confiscated before the war.

Work is in progress on the solving of the problem of returning to the Yugoslav minority of the financial institute (which was once the chief economic institution of the minority) confiscated by the fascists.

Furthermore, an agreement on frontier traffic was concluded as early as in 1955. In two years' time seven and a half million people crossed the frontier in both directions, and traded freely. This traffic and trade are without precedent in similar conditions, and are an example showing how even complicated problems can be solved in a peaceful way. There is no need to emphasize how important this is for the very coexistence of the two nations in the



## PRESIDENT TITO'S STATEMENT

At the invitation of the director of the United Nations Information Centre in Belgrade, Josip Broz Tito, President of the Republic, gave the following statement in connection with United Nations Day — 24th October:

"I am deeply convinced the aims and principles of the United Nations would be served best if, on the occasion of the twelfth anniversary of its existence, I emphasized that the entire world and the peoples of all countries expect the United Nations to concern itself in the first place with the solving of the disarmament problem and the elimination of the present tension in the Middle and Near East, which is causing anxiety through the world because of the danger of a new world conflict which might develop into a great catastrophe.

"Under the complex and unsettled postwar international conditions there arose various acute international problems, some of which have been successfully solved. But the solution of the disarmament question is of paramount importance for the preservation of world peace. However, in spite of all attempts made so far, and negotiations extending over a number of years it has not, unfortunately, even been partially solved, and it calls for the greatest attention of the United Nations.

"I think that the causes of this situation lie above all in the approach to the disarmament talks, and in the fact that these talks were conducted simultaneously with the armaments race. That is why the world is now confronted with the alternatives: the suspension of the armaments race, or the continuation of that race with the potential danger of total mutual annihilation. In the present age of nuclear weapons and intercontinental ballistic missiles, war would literally constitute a suicidal venture. It is, therefore indisputable that the general interests of the whole world with regard to disarmament are in complete harmony with the national interests of each and every country.

"I therefore consider that it is high time that the great powers, which are most responsible for the disarmament problem, should realize that actual results in this field can only be achieved by way of compromise and mutual concessions. At the same time it is necessary for both sides to make efforts for the improvement of East-West relations and for the elimination of the existing distrust in the world. This would influence the taking of definite measures, on which there is agreement in principle without making such measures dependent on the solution of those aspects of disarmament on which different views exist, or on questions which have no direct bearing on the disarmament problem.

"Mankind, which is extremely anxious about the growing race in armaments, rightly expects the United Nations to do everything in its power to reach a solution of the disarmament problem on a mutually acceptable basis. Only in this way can world peace be consolidated and international cooperation promoted on the basis of equality, and these are actually the primary tasks of the United Nations."

dents at teachers' colleges and universities. Scholarships for studies at Italian universities are also provided for. In 1957 there was one Italian teacher to 13 elementary school pupils, 7 eight year pupils, and 6 secondary school students; and expenditures on the Italian schools amount to 9% of all funds expended on schools by the district and its constituent municipalities.

Members of the Italian minority are taking an ever greater part in the work of the organs of the people's government, and are making an ever greater use of the rights guaranteed to them by socialist Yugoslavia. At the same time the people's government is undertaking new measures to ensure the free and all-round development of the Italian national minority.

In the spirit of the Special Statute which is attached to the Agreement on Trieste, and which stands for the equality of the minority language in public life, proportional participation of the minority in all administrative functions, prohibition of national hatred, equal treatment of minority organizations in regard to public buildings and subsidies.

frontier regions and for free exchanges of their material and cultural goods. All this concerns not only relations between relatives on the two sides of the frontier or the people whose farms extend over the frontier and who must cross it to till their field. Something more important is involved: the development of conditions in the frontier region which make it possible to overcome as much as possible the disadvantages of the frontier line in a region which, in many respects, represents an entity.

Another, very important agreement for the local population is that on local frontier trade. This agreement is being implemented separately in two sectors: Gorica—Udine—Sežana—Nova Gorica—Tomlin, and Trieste—Kopar—Buje. For both sectors, the value of trade determined is 2,000 million dinars. The trade in the northern sector reaches this value regularly. But there have been certain difficulties in the southern sector, mostly because the Italian Parliament ratified this agreement only in January of this year, and because there are restrictions on trade between the Italian and Yugoslav frontier regions in the area of Trieste, — restrictions which have been lifted in other areas.

Contacts have been established between cultural, educational and social organizations and various social services, and their co-operation is developing from day to day. This, too, helps to increase trust between the members of the two nationalities and to uproot the difficulties which were caused by the new frontier line, particularly for the population east of the frontier, for these people have been cut off from their natural economic and cultural centre — Trieste. This was the chief reason for the large-scale emigration from Zone of the former Free Territory of Trieste after the signing of the Trieste Agreement.

THE AGREEMENTS on local traffic and local frontier trade have removed many difficulties. But there are still some problems which should be solved as soon as possible in order to transform Trieste and the frontier regions into a bridge between the two neighbouring nations, and to prevent them from becoming a cause of dispute.

One of the chief problems is that of the rights of the national minorities. This problem is approached with complete understanding by Yugoslavia, whose laws guarantee the free development of the national minorities. No one can say, of course, that there were no cases of prejudice or acts of discrimination, on the part of local organs, but all such acts were and will always be revoked as soon as they come to be known to the higher authorities.

According to data released by the Federal Statistical Office, there are altogether 33,000 Italians in Yugoslavia — 30,000 in Croatia and the rest in Slovenia.

Italians take part — as equal members — in the work of the local organs of government, social self-government, and public life in general. Let us take, as an example, some data from the practice of the people's committee of the district of Kopar. According to official data, there are in the district about 3,000 Italians, or 3.4% of the total population. It must be mentioned that most of these people are elderly men and women who remained on this side of the frontier after the resettlement of people in the frontier region (49% of the persons in homes for the aged are Italians, and 20% of the Italian minority receive social grants in aid) and that there are a very few educated persons among them.

The Italians in the district have one deputy in the Republican People's Assembly and six the district people's committee. About 5% of the members of the Socialist Alliance of the Working People are Italians, and one of them is Vice-President of the Alliance. Altogether, 53 Italians sit on the workers' councils of factories (4%) and 12 on their managing boards (3%). In co-operative organizations one Italian is president of a managing board, six are members of managing boards, five members of supervisory committees, one president of the supervisory committee and so on. The Italians have a number of cultural and educational societies which are included in the Italian Union for Istria and Rijeka.

In the field of education, the provisions of the London Agreement on Trieste are consistently applied. The problem of the teaching staff is being solved also by granting scholarships to stu-



ON THE Italian side of the frontier there are more than 120,000 Slovenes: 70,000 in Trieste and its surroundings, 18,000 in the district of Gorica, 30 to 40,000 in Venetian Giulia, and 2,000 in the Canal Valley.

So far, the problem of minority schools in these regions has been finally regulated in Trieste only; some unregulated minority schools exist in the district of Gorica, while in the region of Udine there are no minority schools at all.

We firmly hope that solution of this problem will be found in harmony with the friendly cooperation between the two countries a solution which will protect the interests of the Yugoslav minority in Italy; the more so since we believe that such a solution would contribute still further the atmosphere of friendship and cooperation and the mutual trust between the inhabitants of the frontier zones. And naturally, the people on both sides of the Adriatic should be equally concerned to see that this bridge remains firm and solid. After all, this is not only the concern of Yugoslavia and Italy, but also that of the wider international community and peace in this part of the world.

For the same reason, the Yugoslavs view with dissatisfaction the prosecution — as a special form of persecution and maltreatment — of anti-fascists for certain aspects of their democratic activity in the anti-fascist war, for this is contrary to the rights of people to self-determination and secession.

Under Article 6 of the Trieste Agreement it is prohibited to bring to trial and punish persons for their earlier activity in connection with the status of Trieste. Palamara, The Italian General Commissioner in Trieste, sanctioned this provision by his decree No. 190, it is true. The local courts, however, continue to disregard this decree and apply some of the still valid fascist laws. And this certainly does not help to establish an atmosphere of reconciliation in Trieste, particularly among the minority.

Article 16 of the Trieste Agreement forbids the persecution of anti-fascists who were in allied military units during the war. A court in Florence, however, has for some time now been considering a case against a Giulian detachment known as the „Giulian Company“ which fought as a unit of the 9th Corps of the Yugoslav Liberation Army in the mountains of Venetian Slovenia west of the Soča river.

The independence of the Italian courts is given as a reason for this flagrant violation of the Peace Treaty. True, it must be said that the progressive Italian public condemns this action, which cannot but harm the good and friendly relations between the two countries.

The Yugoslavs sincerely hope that responsible people in Italy will find ways and means of putting a stop to all such actions which can be dangerous to Italy, since all the accused are Italian citizens.

Undoubtedly, a definite exposure of the revengeful and other undemocratic tendencies which underly all these court trials, would strengthen peace and mutual trust in the frontier regions and introduce a sense of security among the minority ranks. This, in turn, would create a favourable atmosphere for the solving of mat-

ters which are important for relations between the two countries such as, for instance, the preservation (not only exploitation) of fish life in the Adriatic, the war graves and other problems which are still outstanding. This task, however, is not an easy one. Joint efforts, mutual trust and responsibility on the part of all interested will be necessary to carry it out. If we act in this way, it will not be difficult to settle outstanding problems, as well as those which are produced by everyday work and life.

#### POSSIBILITIES FOR IMPROVING RELATIONS

IN OUR struggle for this aim we are not unarmed. One of the most effective weapons for the solving of problems affecting the frontier region is the Mixed Italo-Yugoslav Commission which was set up under the Trieste Agreement. This Commission is now working. And for the solution of other problems we have a number of agreements which are being mutually implemented, as well as the readiness and interest of responsible political factors in cooperation which, being democratic and equal, is supported by the masses in both countries. We have no intention of recounting here everything the responsible Yugoslav factors have done to strengthen friendly cooperation with Italy, and particularly to remove obstructions to the normal life of the population in the frontier regions. But we wish to stress that the Italian people have also, in this respect, the support of their leaders. Here is what President Gronchi said in Trieste on the second anniversary of the Trieste Agreement:

„You have a great responsibility, which, I would say, is placed upon you by history and its progress, and by geography with its unchangeable position. A town on the frontier has the obligation, both of organizing its spiritual and political defence, and of reconciling and possibly balancing the just strivings and traditions of different civilizations. That is to say, different trends contain harmonies which have become essential to the progress of today, since the nationalisms of earlier times have been buried, not only by the consciousness of human solidarity, but also by the interests which demand mutual understanding and cooperation, that is, solidarity“.

Cooperation, mutual understanding and tolerance in the frontier region between Italy and Yugoslavia, which are facts we all acclaim, are of special importance. They, above all else, show eloquently that the policy of existence is not only a commodity offered at diplomatic conferences, but the essential need of working people, regardless of their race, nationality, religion, or social order, as well as an idea which, with some good will, can be implemented in practice.

The Yugoslav people welcome the realistic approach to matters which is characteristic of present-day Yugoslav-Italian relations. They share the feeling and conviction of the masses in neighbouring Italy that the good-neighbour relations and allround friendly cooperation of their countries on the basis of mutual respect, equality and non interference in one another's affairs, is in their own interests as well as, in the interests of progress and peace throughout the world.

## CHANGES IN THE CZECHOSLOVAK FIVE-YEAR PLAN

Ž. JEVTIĆ

THE CENTRAL Committee of the Communist Party of Czechoslovakia, at its last session, held early in October this year, adopted the draft of the Second Five-Year Plan for the development of national economy, which concerns the 1956—1960 period. The fact that we are already at the end of 1957, i. e., in the second year of the above mentioned Plan, leads one to the conclusion that this is a case of „planning in arrears“ for, in the formal sense, a plan to be adopted by the highest legislative body in the customary manner is still lacking. It should be borne in

mind, however, that this plan did nevertheless exist, practically speaking, in the form of „objectives of the Regional Party Conference“ held in the middle of last year. These objectives were taken into consideration at the time of the drafting of the annual economic plans and found concrete form in them.

Particularly interesting in the adopted draft plan are certain minor, and sometimes major deviations from the aims of the Regional Party Conference. We shall cite some of the more important changes.



First of all, a speedier rise of industrial production is envisaged. While the plan anticipated an increase of 50 per cent by the end of 1960 in relation to 1955, now an increase of 57 per cent is mentioned. This increase primarily refers to the production of fuel, steel, rolled metals, chemical products, precision instruments and consumer goods. It is interesting to note that this acceleration of production on increases is planned, not through the increase of capital investments and manpower, but through "better utilization of the existing plants" ... and, compared to 1957, also through a better utilization of fuel, metals and other raw materials and materials.

The original tasks in transport, especially railway, are being broadened. Instead of increasing railway transport by 29 per cent as laid down in the objectives, the increase in the above mentioned five-year period (in tons) should be 43 per cent.

The tasks for agriculture have been fixed on the same level as laid down in the objectives, which means that the overall production is to be increased, by the end of 1960, "about 30 per cent". But as the rise in production did not follow the desired rate last year, this can again be considered as an increase in tasks, as the rise in the next three years should be more rapid than was previously planned.

On the other hand, the tasks in the sphere of capital investment, construction, productivity of labour and production costs are being reduced.

The objectives of the Party Conference envisage the overall volume of state investments for the period 1956-1960 to a value of 152.6 billion Kč. In the adopted draft plan this sum has been reduced to 137 billions. Parallel with this the draft anticipates an increase of investments "outside the state plan", from 23.8 to 34.9 billion Kč. But regardless of increase in this kind of investment, the total volume still remains smaller by 4 billions kronas (about 80 billion dinars).

In building the planned increase is reduced from 68.4 per cent to 62.3 per cent.

The productivity of labour in industry is to be raised by the end of 1960, by 39.1 per cent instead of by 42 per cent as envisaged in the objectives; in building, the plan of increase is reduced from 55.5 to 52 per cent.

The adopted draft plan provides for the employment of 4,754,000 persons in economy in 1960, of this number 1,836,000 being employed in industry alone. As the Czechoslovak Republic will have in that year about 13.6 milion inhabitants, this may be considered a very high percentage of employed persons.

The adopted draft plan also envisages a quicker increase of average monthly earnings. Instead of 6.4 percent, this period should see an increase in earnings by 8.3 percent. In keeping with this, is the correction of the original tasks in the sphere of production costs in industry. Instead of 14.8 percent, as envisaged by the objectives, the production costs are to be decreased by 12.6 percent.

One of the special tasks, which was particularly stressed at the above-mentioned plenary meeting, and which was entered in the adopted draft Five Year Plan, is to ensure at all costs the originally planned rise in personal consumption i. e., "about one third", in relation to 1955. Special stress was put on housing which, even under conditions of a reduction of the overall volume of investments, is to proceed at a quicker pace than was anticipated in the party conference objectives. It was planned that "a minimum of 330,000 housing units" be delivered for use in the 1956-1960 period, i. e., 30,000 more than was laid down in the objectives. This increase should be realized especially through the growth of cooperative and individual housing construction.

Also worthy attention is the increase of the deliveries plan for some consumer articles on the home market. The articles primarily affected are meat and its products, woollen textiles, leather footwear, television receivers, private motor cars and cement. The scarcity of these articles mars an otherwise sufficiently favourable picture of the Czechoslovak market supplies.

It should be said finally that the adopted draft plan also envisages a somewhat speedier development of the productive forces of Slovakia than of the other, more developed area of the Czechoslovak Republic. The object of this to eliminate the difference in

development between Slovakia and other areas, and to ensure full utilization of that region's natural and economic resources.

It follows from all this that the effected corrections in the plan are of no little importance and that they must have been prompted by serious reasons, and indeed these reasons actually exist.

One of the greatest of them is that in the last two years, in industry and construction, the fixed norms of the consumption of raw materials, materials, fuel and electric energy were constantly being exceeded. As the raw material and power base developed at an unsatisfactory rate, which particularly applied to hard coal, certain disproportion again occurred between the raw material and power bases on the one hand, and the needs of economy on the other. Hence the stepping-up of development of the raw material and power bases in the adopted draft plan.

Another important reason is that the plan of increased productivity of labour fell short of fulfilment. Although the plan of industrial production was surpassed in 1956 and in the first half of 1957, the Czechoslovak economists and politicians drew attention to an unfavourable situation, as this increase was achieved with the help of increased manpower and, what is particularly important, thanks to drawing on increased pay funds.

No less important is the permanent problem of the unsatisfactory implementation of the plan of capital investments especially in key sectors. These construction projects regularly take more time than has been planned, and it also happens that the continual rise in building costs limits the possibilities of its development in succeeding years".<sup>1</sup>

Finally the problem of machine building, especially heavy machines, should be singled out from other problems which are always urgent, as many problems of other branches are connected with them. Machine-building is, for the Czechoslovak Republic, the most important industrial activity today, as the further industrial development of the country depends on it. Besides this, it accounts for nearly 50 per cent in the total exports, which are of vital significance to Czechoslovakia. It is pointed out, however, by the highest authorities, that the situation in machine-building is "very unsatisfactory", as a result of which all economic branches have to suffer. This applies to both the quality and the volume of its production. Hence it is emphasized that the tasks under the Five Year Plan should be considered as minimum tasks, and that efforts should be made in the remaining these years to discover possibilities for surpassing the annual plans.

In the light of these problems the above-mentioned corrections of the plan are fully justified. Actually, as will be seen, it was a question of endeavouring to make full use of the possibilities on the one hand, and of replacing the impractical tasks by more realistic ones on the other. It was also emphasized at the plenary meeting that, despite this lowering of the objectives of the General Party Conference, the tasks of the plan remain "very high" and that they will call for "maximum efforts on all sides".

The Plenum also gave a reply to the question — why such high tasks have been set when those in the last two years were not fulfilled in all branches. It was pointed out that these tasks "had not been determined arbitrarily, but reflected the objective requirements of the building of socialism... and gave economic expression to the programme objectives of the Party".

This very generalized explanation certainly includes, as one of the very important reasons, the exceptional situation of Czechoslovakia as a highly developed country in the division of labour among Eastern European countries, as well as the efforts to win for Czechoslovakia the most favourable possible positions on the world market. The solemnly proclaimed "immediate task" — of surpassing, as soon as possible the most developed capitalist countries in production per capita, for which Czechoslovakia is regarded as having the biggest chances, also has this object in view.

Special tribute is certainly due to efforts to ensure the planned improvement of the living standard, primarily personal consumption. These efforts meet with very big obstacles, the most

<sup>1</sup> From the letter of the Central Committee of the Communist Party of Czechoslovakia to the Czechoslovak people — "Prace", 18 October 1957, page 6.



important of which is without doubt the unfavourable relation between the increase of productivity of labour and real earnings.

It seems, however, that some of the endeavours on this plane will be abandoned. For example it was envisaged that a day's work should be reduced from 8 to 7 hours by the end of 1960. However, some unfavourable experiences since the reduction of the work week by two hours, have led to the conclusion that planned reduction of working hours would be difficult under present conditions. The Central Committee therefore approached various people with the question — how to proceed further in this regard.

Finally, it should be said that the solution of the above mentioned and other problems concerning the prospects of development of Czechoslovakia will be helped by the two-month discussion on the national scale which is just beginning. Although its scope are limited by the emphatic attitude of the Central Committee on a number of key questions in the building of socialism, it is to be expected that it will add to knowledge of the origin and nature of existing problems, and indicate more rational means of elimination.

(To be continued in our next issue)

## WORK OF THE INTERNATIONAL AGENCY FOR ATOM ENERGY

Dr Franc KOS

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THE general conference of the International Atom Agency has completed its session, and the first real international institution for atomic energy begun its work. The general conference was chiefly concerned with constitution, legal and procedural matters, while the discussion on the agency's programme consisted, in general, of remarks and opinions of individual countries. The debate on legal and procedural questions, however, revealed certain quite definite political views. A lot of time was devoted to the question of the participation of states which are not members of the United Nations or its specialized agencies, in the work of the Agency and in general conference, as the Statute prevents the admission of such states to the Agency, primarily China and some other states of Eastern Europe and Asia. Accordingly, the principle of the Agency's universality cannot be fully realized. The proposals which were made at the conference however, sought to realize this principle. Some delegations considered that a discussion in this direction was superfluous, and they endeavoured to shorten it, allegedly because the Agency is to engage in technical and scientific matters only. The rejection of proposals by some East European countries did not fully decide this question, but it became clear that its final solution will depend on a better atmosphere in international relations.

This became even clearer when it was seen that in other questions compromises were almost always possible, and that many problems were solved by mutual negotiations of the chief atomic powers which at one time used to present the other members with accomplished facts. If we add that there is some discrepancy in relations between the Council of Governments and the general conference (for the Council alone settled some important questions and informed the general conference of the resolutions it had hastily passed), one can draw the conclusion that the Council has a tendency to take all functions into its own hands and merely allow the conference to approve its decisions. The opposition of some delegations to such tendencies and acts influenced to a certain extent the manner of work in the conference. There was a danger that this method of work might become a practice, which would be impossible or very difficult to change later on, so that indifference towards the Agency's work would increase. The Council of Governors saw the harm of such a situation, and took upon itself to solve the matter in such a way as to satisfy most of the delegations. There is the possibility that member states may attend the meetings of the Council as observers or have access to documents concerning its work. The fact that, according to the Statute, every country can sooner or later become a member of the Council of Governors, does not at all diminish interest in its work by those states which are not its members.

It is quite understandable that the Agency should, at the very beginning of its work, regulate, by special arrangements and agreement, its position in relation to the United Nations and its specialized agencies, and other organizations which engage in similar work. Here the question of the Agency's relations with certain international scientific organizations and institutes arises, not only because of

the necessity of avoiding duplicity of work, but also because of the benefits which the agency and other organizations might enjoy from their mutual cooperation. It is interesting that in this respect no mention was made of organizations and institutes which rest on a political basis, and which have blocs as their background. Chief attention was given to organizations which devote their energies to theoretical matters and work exclusively on the peacetime exploitation of atomic energy. It was impossible to solve these at this meeting of the general conference, but they were raised, so that they will receive due attention at its next meetings.

At its first meeting the general conference had to tackle quite difficult problems, and it achieved a lot of success in this. It will have a chance to settle them completely during the year, and so approach its chief task: work on the improvement of nuclear science and on the development of the use of atomic energy for peaceful purposes.

This work should be carried on by the Agency through its yearly and long term programmes. This year's programme was drawn up by a special commission after many months of work, and it is an expression of understanding and compromise, so that it appears to be based on different ideas and proposals. Individual delegations which had not taken part in the work of the special commission found it difficult if not impossible to propose anything new. Owing to the wide range of set tasks, many delegations considered it necessary to explain their views on the most essential and most important tasks.

It was not accidental that many delegations gave a lot of attention to the problem of economic development in underdeveloped countries and to the role atomic energy can play in this development. At the same time they probably wanted to show that the report of the special commission on this matter did not come of their expectations, although they did not say so explicitly. In any case, it was shown that many countries are interested in the application of atomic energy for their own development. Naturally, such views on the role of atomic energy can be exaggerated, and many people may be disappointed, because one should not forget that nuclear science is still in its initial stages, and that the results have been achieved to justify any exaggerated expectations. It was in order, therefore, that the most urgent tasks which the Agency is already in a position to perform, i. e. the training of new technicians of all levels, should be emphasised. These technicians can place on a realistic basis the demands of their countries, and they might help to determine an investment programme which would be of practical proportions and which would not take as its criterion the results achieved in developed countries. Speeches of representatives of underdeveloped countries revealed that the economic aims of investments in developed countries were not the same as their own, that the needs in relation to the size of atomic installations were not equal for all countries. These views will be of great importance in the work on drawing up the long-term plan of economic development



with the help of atomic energy in underdeveloped countries, and areas in the world which is to be completed by the Agency by 1959.

From this point of view, the work of the general conference was successful. Obviously it would be unreasonable to expect any large scale results as yet, for such results will depend on the direction in which the Agency develops in the future. There are still different views on what the Agency's work should seek to achieve. Some hold that it should devote its energy to scientific tasks, some to practical problems of nuclear energy, and other to exchanges of information, training of personnel and exchanges of technicians. Unanimity existed only in one respect: that the Agency should serve exclusively peacetime aims and the progress of humanity. It became clear during the meeting of the general conference that

a great share of responsibility for the success and work of the Agency rests on the great powers, which are in a position to assist it enormously. They can do so if they approach the solving of individual problems in the spirit of international cooperation, and if they are ready to accept compromise solutions. Work on the setting up of the Agency so far has shown that international cooperation in the exploitation of atomic energy for peacetime aims are useful and possible, and it will be necessary in the future to show by deeds that there the goodwill for cooperation exists. With such work the Agency could influence and facilitate the solving of other international problems, and that, after all, is its direct task. Considering the results of the general conference, we may hope that the Agency will fulfil the hopes which humanity has invested in it.

## INTRODUCTION TO A DISCUSSION ON EUROPEAN INTEGRATION

### EAST-WEST RAPPROCHEMENT

Prof. J. TINBERGEN

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*In this column we have so far published articles on problems of European integration by Paul van Zeeland, the prominent Belgian politician and economist, Leon Makas, former Greek Minister and François Perou, the eminent French economist, who set forth their views on different aspects of European integration. Now Mr. J. Tinbergen, the Dutch Professor, answers to questions put to him by our Editorial Staff, in the form of an article which we print below.*

THE integration of Western Europe should be considered as an attempt to establish a balance between Russia, whose power has greatly increased, and the West European countries, whose power is declining. This integration should not move backwards towards autarchy and indeed there is little probability of this happening. The member-countries of the Common Market must be aware of their world task, especially as regards investments in under-developed areas, whether these are in Europe, Africa or elsewhere. The Common Market will gradually have to decrease customs tariffs on imports from third countries.

The integration of the whole of Europe, as well as the entire world, clashes with the dichotomy of the communist countries on the one hand, and the free countries on the other. According to Western idealists, the most desirable thing, from the international viewpoint, would be to create a world democratic government which would be responsible for the maintenance of peace, relying for this on the world military force. This government would also be entrusted with some other functions of an economic and social nature. But in view of its large number of other tasks, it should be characterized by a high degree of decentralization, that is, there should be considerable autonomy for national and local governments.

All this is impossible at present, and it also depends on whether an agreement can be concluded between the two world blocs, establishing a certain degree of confidence between the communist and non-communist

countries. In other words, this depends on the possibility of achieving agreement on disarmament and on other problems of international policy. This necessitates a common interest which should be manifested in such a way as to be acceptable to both sides.

The common interest demands the maintenance of peace or at least the elimination of general conflicts. This interest probably also goes beyond the maintenance of peace, and embodies a system of rules regarding peaceful transformation of the social structure. The first aim calls for steps to be taken in each case to avoid conflicts due to lack of understanding, delusions etc., and to limit rash actions. In this direction suitable methods would be found in the creation of demilitarized zones and partial disarmament. It would perhaps be useful if the communists too formulated their wishes in the light of their own visualization of the world political order.

It seems to us that disagreements crop up especially in connection with these three principal factors:

1. Disagreements of a purely geographical nature. These are disagreements which provide the classical source of international conflicts. Both sides assert that they no longer entertain any aspirations to territorial aggrandizement. Let us hope that this is the truth; should it be so, then this old problem would finally be solved. It is considered in the West that only deeds, not words, can inspire confidence. Let us add that the West too must contribute its share in establishing confidence by taking steps for the gradual liberation of colonial areas.

2. The second group of disagreements is in the sphere of economic and social life. It seems that both blocs are victims of a certain dogmatism. On the one hand, the public opinion of the United States seems to overestimate the advantages of private enterprise; on the other, the Soviet economic policy-estimates, in our opinion, the advantages of complete collectivization. It seems to me that rapprochement is under way: there exist strong tendencies, especially in Yugoslavia and Poland, and in Russia as well, in the direction of the revision of economic policy. The process of rejecting dogmas is being manifested, so it is to be hoped that economic science will contribute to a theory of economic policy which would be independent of postulates laid down in advance, all of which might operate in the direction of reducing conflicts.

3. The third and, in the opinion of the West, most important disagreement concerns internal political organization: opposition between democracy and dictatorship. The West cannot accept a situation in which people are arrested because they do not agree on political matters, and in which they cannot organize themselves freely. But it must be admitted that a large part of the world has never known what democracy is; that sometimes parliamentary democracy does not succeed even in solving burning questions, which are all the more significant if the living standard is low. It must be admitted that dictatorships have sometimes solved these problems. Besides, it should not be denied that the process of democratization and decentralization, like only process involving changes, takes time. It is not improbable that even in this respect the two world blocs may draw closer to each other. This rapprochement will be easier if it is possible to carry it out under conditions of balance between the military forces of the two sides. Hence the integration of Western Europe should be accompanied by a deepened, but not a dogmatic discussion between East and West, so that certain rapprochement might be attempted.



# WEST GERMAN ARMY

## — FORMATION AND DEVELOPMENT OF THE BUNDESWEHR —

L. ERIK

THE PARIS Agreements, signed in May 1955, gave Western Germany her sovereignty and the right to create her own army. At that time much preliminary work on the creation of the army was already in its last phase. As a matter of fact, in 1950 the German military experts with the assent of the occupation forces, were already making preparations for the remilitarization of Western Germany and intensive work was going on in Blank's office, which was transformed into the Ministry of Defence in 1955.

The question of West German rearmament had long been meeting with resistance among the West European countries. For four and a half years efforts were being made to include Western Germany in the Atlantic Pact and thus utilize the material and human potential of that country for the benefit of the Western Bloc concept. The Pleven Plan made its appearance, then the Plan of the European Defence Community, but it was only in the second half of 1954 that the ideas of the West German Union cropped up as a compromise solution. This idea served to eliminate the major divergences between the Western countries on the question of the arming of West Germans.

In relation to Western Germany the Paris Agreements include an understanding on the termination of the occupational status, an agreement on the stationing of foreign armed forces on its territory, the admission of Western Germany to the newly founded West European Union, and her admission to the membership of the Atlantic Pact.

### COMPETENCES OF THE WEST EUROPEAN UNION AND THE ATLANTIC PACT

THE MEMBERS of the West European Union are Belgium, France, Holland, Italy, Luxemburg, Western Germany and Great Britain and the agreement setting it up was signed for 50 years. Except for control of the upper limit of the armies' strength, the West European Union does not reform any direct military functions. Tasks of a military nature coming under West European Union agreement, have been transferred to the competence of the Atlantic Pact Command for Europe. The armed forces of the member-countries of the West European Union (they are simultaneously members of the Atlantic Pact) are subordinated to the Atlantic Pact as regards military operations. The Commander of the Atlantic Pact for Europe has the following rights in relation to the armed forces of members of the West European Union: planning of operations, control of training and armaments, disposition of units and unification of supply. According to the agreement, he solves these

questions in cooperation with the national military and civil authorities. The Atlantic Pact Command for Europe has under it the commands of three regional areas viz.: the Atlantic Pact Commands for Northern, Central and Southern Europe. The larger section of the Bundeswehr will be subordinated to the Atlantic Pact Command for Central Europe and the smaller to the Atlantic Pact Command for Northern Europe.

The Atlantic Pact Commands to which German units are or will be subordinated include German officers. Of the German generals, the highest command in the Atlantic Pact framework is that of General Speidel, who is commander of the Atlantic Pact land forces in Central Europe.

In contrast to other members of the West European Union all German units are to be subordinated, operationally, to the Atlantic Pact. For the setting up of a national territorial defence force, which is to be about 30,000 men strong (the standing army), West Germany still lacks the consent of the West European Union.

In order to ensure successful cooperation of the units of various nationalities inside the Atlantic Pact in the event of war, integration on the following levels has been envisaged:

- in the group army staffs and corresponding staffs of the air forces;
- regularly in army staffs and corresponding staffs of the air forces;
- an army corps will be in principle of one nationality but the possibility is envisaged of a corps consisting of divisions of different nationalities.

### SIGNIFICANCE OF WESTERN GERMANY FOR THE ATLANTIC PACT

OFFICIAL German military and political circles have fully adopted the so-called "Sword and Shield" strategy of the Atlantic Pact, and are taking practical measures in the spirit of this conception. The "Sword" stands for strategic atomic and thermonuclear weapons, at the disposal of Atlantic Pact members the USA and Great Britain. It should serve, according to the above mentioned conception, "for dealing a decisive blow to a possible aggressor".

The concept "Shield" embodies the armed forces of European members of the Atlantic Pact and the American units of the land army and tactical air forces stationed in Europe. Of these forces only the American units are at present equipped with tactical atomic weapons. The American units in Western Germany have 36 atomic guns, calibre 280 mm, 12 batteries of guided "Corporal" rockets and

5 batteries of ballistic missiles of the "Honest John" type. American units in Western Germany will soon be provided with "Nike" anti-aircraft rockets. The "Corporal" and "Honest John" rockets and the latest anti-aircraft rocket of the "Nike" type can take either conventional or atomic fillings.

The question of the introduction of tactical atomic armaments in the army of the European Atlantic Pact members is being seriously considered. According to the above concept, the forces which play the role of "Shield" are to protect the "Sword area" (this area covers bases for launching missiles, bases of strategic aircraft, bases of air carriers of atomic bombs, electronic installations for directing and guiding the missiles etc.).

The Atlantic Pact attaches great importance to the West German territory, as its Central European situation suitably links the Atlantic Pact members in Northern and Southern Europe. The view that the Atlantic Pact attaches great significance to Western Germany is confirmed by the fact that the following Atlantic Pact units are stationed in Western Germany:

- USA: 5 divisions of the land army and most of the 12th tactical air fleet;
- Great Britain: 4 divisions of the land army and 2nd Tactical air fleet;
- France: parts of the I corps and an air fleet;
- Canada: one reinforced brigade and one air force division.

If we add to this the 6 armoured divisions, 6 grenadier divisions, 1 paratroop division and 1 alpine division which Western Germany will place at the disposal of the Atlantic Pact Command by 1961, we have a fairly clear picture of the significance attached by the Atlantic Pact military planning to the Bundeswehr and to Western Germany as a whole.

### INFLUENCE OF POLITICAL ORGANS ON THE BUNDESWEHR

IN VIEW of past experiences, legal measures have been taken to see that the army should not become a state within the state. It is too early to speak about the efficacy of these measures, so I will only state briefly how this question is treated in the German laws and Constitution.

Parliament is the highest control organ of the Bundeswehr. Parliament decides on the opening and termination of a state of war, it decides, on the basis of the Budget Law, on the strength of the armed forces and the principles of the Bundeswehr organization. A supplement to the Constitution envisages the right of Parliament to appoint



a Defence Committee, which has the right to make investigations.

The President of the Republic conveys the decision of Parliament about announcing a state of war, he has the right to appoint and discharge officers, non-commissioned officers and members of the armed forces (he can transfer this right to other organs of government, for instance to the Defence Ministry). The President of the Republic has the right to appoint, at the proposal of the Government, the members of the Military Personnel Committee (this Committee, by a special law, approves the appointment of officers from colonel upwards).

The Federal Chancellor defines the objectives of the country's policy and within this framework also determines military policy. On embarking on a state of war, the Chancellor takes over from the Defence Minister the role of the Supreme Commander of the armed forces.

The Federal Defence Council is the consultative organ of the Government. It has been set up for the purpose of coordinating the work of Ministries whose departments are connected with the building up of the armed forces. The chairman of the Council is Vice-Chancellor while the other members are the Ministers of Defence, Foreign Affairs, Economy and Finances, as well as the Minister for Atomic Questions.

The Defence Minister is a civilian. In peace-time he is the supreme commander who issues orders and commands the armed forces. As already emphasized in wartime this right is transferred to the Federal Chancellor.

#### ORGANIZATION OF THE DEFENCE MINISTRY

THE MINISTRY of Defence has not yet a definite organizational structure. This is to be regulated by the Organizational Law, which has already been drafted. The Defence Ministry has been in existence since 1955. In the meantime it has undergone several changes, the latest having been carried out in the spirit of the Draft Organizational Law.

The Defence Minister is the Supreme Commander of the Bundeswehr in peacetime. The army corps are directly subordinated to this command — with the exception of competences entrusted to the Atlantic Pact.

In his direction of the Bundeswehr, the Defence Minister relies on the State Secretary and on the apparatus of the Defence Ministry, which consists of civil and military departments. The civil departments (administration, finances, military economy, supplies, technical research and development of armaments and equipment) take part of the burden from the military departments. And for this reason military departments are in a position to deal exclusively with military and technical questions. It is planned to fuse some of the civil departments. Army men are also to be found in these departments.

Since June this year the Defence Minister has been in charge of the military departments, through the supreme staff of the Bundeswehr, which is headed by General Heusinger, who is also the Bundeswehr Inspector General. The Chief of the Supreme Staff has under his control five military departments, the staff of the land army, the staff of the Navy,

the staff of the air force, the health service inspection and territorial defence department. The heads of military departments are also inspectors, each in his branch of the army or service. The role of the inspector is reflected in the control he exercises over the condition of the units and in his keeping count of their fighting capabilities.

The sphere of Activity of the Bundeswehr Supreme Staff includes elaboration of the principles of command and leadership, of organization, training and logistics for the whole of the Bundeswehr. Other military departments deal further with the same questions, but only for their own branch of the army.

In this rather complicated organization of the Defence Ministry the following is essential: the right of direct command over the corps belongs to the Defence Minister, who is the Supreme Commander of the Bundeswehr in peacetime. All military departments, including the Supreme Staff of the Bundeswehr, act on behalf or by order of the Defence Minister. Apart from the Defence Minister, the right of command begins with the Commander of the Corps.

#### THE STRENGTH OF THE BUNDESWEHR

THE UPPER limit of strength of the armed forces of members of the West European Union has been defined by a special Agreement signed on May 27, 1952. The agreement, it is true, was drafted for the European Defence Community (EDC), but it has remained in force within the framework of the Paris Agreements. The above mentioned agreement has a secret character and has not so far been published in its entirety. As stated by West German official circles, Western Germany is under the obligation (Paris Agreements) to build up an army of 500,000 men. This question was the subject of much discussion when the Law on Military Service was presented to Parliament. The Opposition (SPD) asserted that the strength of 500,000 men was the upper limit, and not the obligation of Western Germany. It was against compulsory military service and in favour of a smaller army. The Government put forward the argument that the upper limit of the strength of the German Army was also an obligation towards the Atlantic Pact, and that this would be impossible to fulfil unless conscription were introduced.

The Government line won on this issue. The plans, which are rapidly being put into effect, lay down that in 1961 the Bundeswehr shall reach the strength of about half a million men viz.: the land army 368,000, the air force 82,000, the navy 35,000 and territorial defence 30,000 men.

By the end of this year the Bundeswehr will reach the strength of 130,000 men and by the middle of 1958 about 180,000.

Conscription includes men up to 45 years old, and in the case of non-commissioned officers and officers it lasts till 60 years of age.

The military service term is one year. After serving their term the men will be called up for further service from time to time.

#### THE LAND ARMY

IN THE framework of the Bundeswehr, the emphasis is on the land army, which will have 6 grenadier (motor-infantry) divisions as well as 6 armoured divisions, 1 paratroop division, and 1 alpine division. The Atlantic Pact Command already has under its orders 3 grenadier divisions and 1 armoured division (though they are not quite complete) and the staffs of three corps. By the end of this year a paratroop and an alpine division are to be formed. In the first phase they will be paratroop or alpine brigades in composition.

The German division formation, in comparison with that of other West European countries (except Great Britain), is the best adapted to the demands of atomic warfare. But it is also adjustable to the requirements of conventional war. In the composition and formation of the land army units the following characteristic factors are to be noted:

- within the framework of the land army, very strong emphasis is laid on armoured divisions;

- land army units, if not armoured, will be motorized, which will facilitate rapid manoeuvring;

- reduction of the numerical strength of the division to 12–13,000 men the numerical strength of the German infantry and motor-infantry division in the Second World War was 15,000 to 17,000 men, while the tank division consisted of about 12,000 men.)

- there are regiments, within the framework of division but in case of war battalions would be transformed as and when necessary, into two or three fighting groups. The composition of a fighting group would be temporary, and suited to the fulfilment of a concrete task.

The formation of the first four divisions has not yet been completed, but German military experts are already thinking about further improvements in their formation. This time special attention is being devoted to the so-called „Pentomic“ division of the American type (a kind of fighting group of five-fold composition). The reorganization of the Vllth American Army, which is stationed in Western Germany, was recently completed on the lines of the „Pentomic“ formation.

#### THE AIR FORCE

WESTERN Germany may have only a tactical air force, not strategic. The plan envisages the formation of the following air units: 4 fighterbomberwings, 8 fighterwings, 2 all-time fighterwings, 2 reconnoitring wings. The wartime air force will have about 1,300 fighter planes.

For the present the chief task is the training of pilots, technical and other auxiliary personnel. German pilots are trained in the American air force camps in Western Germany, as well as in the USA and Canada. The Germans require about 3,000 pilots.

The Defence Ministry wishes to provide its air force with the most up-to-date planes. As they have not a sufficient number of trained pilots and as aircraft tend to become obsolete rapidly, the Germans are not in a hurry to purchase fighter planes. So far they have obtained free of charge or have bought as many planes as they require for the supplementary training of the older men and the schooling of new pilots.



Besides other types, they would like to introduce the fighter interceptor which would be able to take off from short runways and rise to great heights. Other Atlantic Pact countries are likewise paying much attention to this problem. However, as far as it is known, none of them has solved it so completely as to be able to embark upon a serial production of such aircraft.

Western Germany is not yet manufacturing fighter planes, but she purchases them for the most part in the USA (F-84, F. RF-84 F), Great Britain („Sea Hawk“) and Canada. But she has already started the building of training planes.

#### THE NAVY

**T**HE plans provide that the West German Navy should have about 170 warships, to be formed into 18 squadrons. According to the type and purpose of the vessels, the squadron will consist of: destroyers, escort ships, minesweepers, fast minesweepers, fast boats, descent ships and submarine squadrons.

The greater number of the ships (about 150) will be newly-built in German shipyards. The destroyer is to be the largest man-of-war of the West German Navy, and present plans envisage 12 destroyers.

About 60 per cent of the Navy units will be stationed in the Baltic Sea and 40 per cent in the North Sea. The basic task of the West German Navy will be to guard the shores and close the exit from the East Sea.

In September of this year the Navy numbered 12,500 men, including 1,500 officers. Up till now three squadrons of minesweepers were formed, two squadrons for coast-protection, 1 squadron of fast boats, and one school squadron. The Navy already has at its disposal 78 warships, 11 auxiliary ships and 2 old submarines (U-2365, U-2367) of the XXIII type, which are now said to be for training. It is shortly to receive from Great Britain 7 frigates which have been purchased there, and a destroyer lent by the USA.

#### BUNDESWEHR ARMAMENTS

**A**CCORDING to the Paris Agreements, Germany is not allowed to make atomic, biological or chemical arms, strategic planes, warships above 3,000 registered tons, submarines above 250 tons and longrange missiles (she may produce missile with the following characteristics: length 2 metres, diameter 30 centimetres, flying speed 660 metres a second, horizontal reach 32 kilometres, weight of explosive filling up to 22.5 kilograms).

Western Germany, up till now at least, has directed herself towards the import of heavy armaments. There are several reasons for this, some of them being as follows:

— the West German Government wishes to create, as soon as possible, an army which will serve as a material basis for a „strong-arm“ policy. German industry, although greatly developed, is not in a position to supply heavy armaments for the Bundeswehr as rapidly as desired.

— in order to maintain and increase its competitive abilities, on the foreign market, the Government wishes to avoid burdening its economy with military orders.

— as the numerical strength of the Bundeswehr is limited, the Germans consider it more profitable to buy heavy armaments, especially those which are required in smaller quantities.

— the military leadership need not fear that it will find itself without spare parts and ammunition for heavy armament purchased or given to the Bundeswehr as a gift.

A large part of the equipment, such as various vehicles, clothing, footwear, tools etc., purchased by the Bundeswehr are on the home market. Up till August of this year, a sum of 7 billion DM had been appropriated for arms and military equipment supplies. Of this sum, 4.5 million has already been realized). Foreign countries have been given 130 orders for deliveries, totalling 2.4 billion DM in value, while home firms delivered military equipment valued at 2.1 billion DM.

From Great Britain Western Germany will buy about 7,000 armoured transporters of the „Hispano Suiza“ type, and deliveries are already under way. An agreement has been concluded with Turkey for the purchase of ammunition to a value of 740 million DM. From the French, Western Germany is buying anti-tank rockets of the „SS-10“ type. Of all the foreign suppliers the biggest is America, who supplies Bundeswehr, either for payment or in the form of military aid, with the largest quantities of arms. For instance, the USA made a gift to Western Germany of about 1,100 tanks of the M-47 type. This class of tank will not remain in the Bundeswehr armaments, as it is considered obsolete, but the Bundeswehr is none the less using it successfully in training men.

We can conclude from the example of aircraft as well as from the example of tanks that the Bundeswehr will be equipped with the most modern weapons. In addition to the M-47 tank, Bundeswehr has also a certain number of American tanks M-48, which are much better than the M-47 tanks. Of late the Germans have cast an eye on the latest American tank of the „M-48 a 1“ type, and intend to purchase, in the near future, about 800 of these. None of the tanks of the Western armies is entirely satisfactory to the German military experts, and for this reason they tend to develop their own tank

weighing 25—30 tons. They are considering the possibility and usefulness of equipping the new tank with rocket armaments instead of guns. As in the case of the tank, Western German leading circles are capable of turning testing of other weapons and expending large sums of money.

The total annual military budget amounts to about 9 billion DM, and there is already a tendency towards increasing the military budget.

#### BUNDESWEHR AND TACTICAL ATOMIC ARMS

**W**ESTERN Germany has not the right to produce atomic weapons, as she „generously“ renounced this right in the Paris agreements. However, according to the interpretation of West German official quarters, the agreements do not bar the Bundeswehr from equipping itself with atomic weapons obtained from outside. Therefore, we cannot deny that in this case West German leading circles are capable of turning to account any gasp they find in an international agreement. It must be clear to everybody that this question could not be referred to so freely in Western Germany if those who plan the use of Bundeswehr did not agree with it. This state of affairs spontaneously provokes unpleasant memories of the recent past and gives rise to anxiety among many people over the future development and role of the Bundeswehr.

It is difficult to understand why the question of the Bundeswehr atomic armaments began to be discussed at the very time when such great efforts are being made in the world for the banning of atomic arms and safeguarding mankind from incalculable consequences of an atomic war.

It is a consoling fact that there exist forces in Western Germany which oppose the arming of the Bundeswehr with atomic weapons, and which are able to see that this measure would only deepen the gulf between Western and Eastern Germany, and thus have a harmful effect on peace and security in Europe.

Still, one cannot be certain that those quarters which attach too much significance to the Bundeswehr in their political concepts, will not prevail with their ideas.

#### FORTNIGHT IN THE WORLD

### PROBLEM OF DISARMAMENT BEFORE THE UN

**A**MONG the problems on the agenda of the present meeting of the General Assembly, apart from the situation in the Near East, disarmament is particularly important. According to the rules of procedure, the problem, after it was considered in general and in principle in the general debate, was referred to the Political Committee, which is to submit proposals for its solution to the Assembly. Although the Political Committee is still considering the problem, it does not seem likely that any major results

will be achieved during this session of the Assembly, the more so since the mounting tension between the East and West, particularly over the insecure and worrying situation in the Near East, is having an unfavourable influence on the already sensitive and complicated problem of disarmament, which is directly connected with relations between the great powers.

On the other hand, it must be emphasized that the results so far of the debates on disarmament in the United Nations are not



wholly negative, and any pessimism as to their final outcome would be premature. The fact is that no one denies the need for an initial agreement on disarmament and that the delegations more or less agree that there is no alternative way to peace. The great powers, however, still disagree on the form and essence of the initial agreement.

At the beginning of the meeting the Soviet Union proposed the drawing up of an agreement on the stopping of nuclear test explosions and on the outlawing of nuclear weapons for a definite period of time, and insisted on the urgency of approaching the solution of the most important problems of disarmament. The proposal for the stopping of nuclear test explosions was identical with that which the Soviet delegation made in the Disarmament Sub-Committee earlier this year. It provides for a temporary cessation of test explosions for a period from 2 to 3 years. Control over the implementation of such an agreement would be entrusted to a special international commission, which would establish control posts in the territory of the Soviet Union, the United States and Great Britain as well as Australia and British possessions in the Pacific).

As far as the use of nuclear weapons is concerned, the Soviet Union, owing to the opposition of the West to its earlier proposal for the permanent banning of such weapons, this time proposed an agreement on a temporary renunciation of weapons i. e., for a period of five years, with the provision that — unless an agreement on disarmament is reached in the meantime — the United Nations should consider the whole problem again. In the opinion of the Soviet Union, the acceptance of these two proposals should not be linked up with the solving of any other matter concerning the disarmament problem.

The Western powers, for their part, tabled a draft resolution calling for an initial agreement on disarmament of wider scope, including a series of measures to introduce the first phase of disarmament. In fact, the Western proposal is based on the views which the Western delegates defended in the Sub-Committee; the only difference being that the transition to the second phase of disarmament is not now linked up with the solving of any political problems. The Western draft resolution provides for a series of measures, such as the stopping of test explosions with an effective system of international control, the stopping of the production of fissionable material for military purposes, and the conversion of the production of such material to peaceful uses, also under international control, the reduction of the stock piles of nuclear weapons by transferring fissionable material set aside for military purposes to peacetime projects, the reduction of armed forces and armaments, the establishing of a system of security against sudden attack by gradually introducing open air and land inspection, and the launching of stratosphere projectiles exclusively for peacetime aims.

Comparing the two proposals, it can be seen that the chief difference between them consists in the scope of the initial agreement. The West puts this agreement on a wider basis and gives priority to the problem of inspection and the special approach to nuclear test explosions. It does not yet accept any proposal for special regulation of the ban-

ing of test explosions, insisting rather on the stopping of the production of fissionable material for military purposes, reasoning that the danger does not lie so much in explosions as in the piling up of nuclear weapons. The West does not agree with the Soviet Union's proposal for the renunciation of the use of nuclear weapons, considering that the possibility of using weapons is necessary for its security as long as there is no real disarmament.

After the appearance of the artificial earth satellite, the Soviet Union proposed to the United States talks and direct agreement on guided missiles and artificial satellites, and Washington, in turn, proposed that this problem should be settled and regulated by a multilateral agreement within the United Nations, and if necessary, be separated from other matters of disarmament.

Other delegations in the Committee not only took part in the discussion of this problem, but proposed compromise resolutions on individual matters. Thus, India proposed that the Disarmament Commission and Sub-Committee should be expanded, that priority should be given to the problem of stopping nuclear test explosions and steps undertaken to stop the armament race, particularly with nuclear weapons. Japan, in submitting a resolution, asked for the cessation of nuclear test explosions under international control. Belgium, too, proposed that the United Nations should draw up a plan for the publishing of data on the danger of the armament race and reserves of nuclear weapons, emphasizing the need for a system of international inspection.

The Yugoslav delegates took an active part in this discussion, criticizing the approach to the problem of disarmament from a position of strength, and the theories and arguments used to justify the armament race.

They stressed the uselessness of the race saying that it was impossible to change the basis of the balance of forces for any appreciable length of time, least of all permanently. With the aim of finding a compromise to reconcile the views of the opposing powers on the problem, which could be regulated by an initial agreement, the Yugoslav delegates submitted a special draft resolution proposing that the Sub-Committee should, first of all, reach agreement on the urgent banning of test explosions, with the necessary measures of control, and then work for agreement on the reduction of armed forces, conventional arms and defence expenditures (the stopping of the production of fissionable material for military purposes, prohibition of transferring or keeping such material in foreign countries, and its gradual consumption for peacetime aims), and the use of inter-continental and stratosphere projectiles for peaceful purposes. Such agreement should be implemented under corresponding and effective measures of inspection. The Yugoslav draft resolution also proposed consultations between the United Nations member states and its Secretary-General, who should keep them informed about progress made, and seek their opinion on the advisability of convening a special meeting of the General Assembly to consider the problem of disarmament.

If, at the present meeting, a compromise should be reached on the acceptance of general principles which would provide the basis for an initial agreement on disarmament, a significant step in the solving of the entire problem would have been made, and the great powers would have the responsibility of implementing such principles in practice.

J. ŽIVIĆ

## FOREIGN CORRESPONDENCE

### GREAT BRITAIN AND WEST GERMANY

Eric STENTON

British Journalist and Publicist

THE BELIEF is obviously growing in Britain, among people of widely differing political views, that Western Germany has now settled down to its way of life as a „western“ power. Adenauer's return to power with an increased majority was noted with approval in official circles in London just as much as in Washington. The trend towards a two-party system in the Federal Republic was seen as an indication that Germany is now moving towards democracy in its highest form. Ollenhauer had been looked upon as an unknown quantity and, while reliably anti-Communist, had curious ideas about European security pacts that were described as „woolly“ in Whitehall.

Adenauer on the other hand is regarded as the ideal man, if a little elderly, for guiding Western Germany in her still unaccustomed role. This role is to serve as the

keystone of Western defence in Europe and as leading partner in the economic confederation of Little Europe. Devoting herself to the West means, in practical terms, that Western Germany must no longer regard herself as the free half of a divided country, but as a separate state in which reunification becomes a legendary objective not to be pursued with any real or independent political initiative.

Certainly Adenauer's Rhenish past and Catholic upbringing suit him for a westward-looking role. It is said of this former Oberbürgermeister that his foreign policy consists of trying to extend the benefits of Cologne's municipal administration as far as the eye can see a Catholic priest.

Of course, British official approval of the current trend in Western Germany is tinged with a certain wryness. For instance after se-



during her independence West Germany, with quiet deliberation, reversed everything that the Anglo-American occupiers had done to punish war criminals and deconcentrate the Ruhr heavy industry. And today it is not easy, even for the most broadminded government official to watch with enthusiasm while Western Germany overtakes Britain in steel production and while a granite-hard Deutsche Mark brings the pound sterling to its knees in the world money markets.

West German policy towards her war criminals is usually forgiven, if not forgotten, along with bellicose declarations about the Oder-Neisse frontier as necessary but harmless concessions to nationalist sentiment. Those doubting whether these matters are quite so simple are quelled with a reminder of the impeccable way Western Germany has compensated the Jewish people for their sufferings under Hitler.

Another cause of irritation sometimes reveals itself: the Federal Republic's earnest insistence on being America's favourite protégé. Some Left-wing Germans have complained to me that Adenauer seems constantly to have the ideal of Chiang Kai-shek before his eyes. It is a view found occasionally in such respectable quarters as the London Times whose German representative wrote recently:

"The (West German) Foreign Ministry is a European outpost of the State Department and perhaps alone among sovereign states Western Germany accepts the infallibility of Mr. Dulles".

On the Left in Britain the conviction is also growing that Western Germany has now shed, more or less completely, its aggressive characteristics and is seeking to become a sort of heavy industrial version of Switzerland. It is a view strengthened by the slowness with which Western Germany is going about her rearmament and General Speidel's almost flattering reluctance to see more British troops withdrawn from the territory of the Federal Republic. Indeed among some of the more Right-wing members of the Labour Party, who fought a hard battle to get German rearmament accepted as Party policy, there is a feeling that the Germans are too busy making money to carry out their full military obligations under the Paris Treaties.

It is on this money-making aspect of the German "menace" that Lord Beaverbrook has been forced, in recent months to concentrate his idiosyncratic brand of anti-Germanism. Since his most devoted journalists have now exhausted themselves in the search for even mildly plausible neo-Nazi plots, every move by a German company to invest abroad, particularly if it is in a British Commonwealth territory, is branded in his newspapers as another conspiracy of the new German economic imperialism. Germans complain, with some justification that they are attacked in Britain both for hoarding gold and dollars and for any attempts they make to break the currency log jam by investing abroad.

Apart, however, from these vague and rather captious British complaints the general view in Britain is that Western Germany is rapidly becoming a respectable power which may be a powerful economic competitor but is essentially friendly towards Britain and her other West European neigh-

bours. The German industrialists who once lined up with Schacht and Hugenberg in the "Harzburg Front" to bring Hitler to power now back Adenauer on a scale which goes beyond the mere expression of personal devotion. With German industrialists, who see eye to eye with Washington and London, with a well-aimed and "neutral" trade union movement, with a Social Democratic opposition that does not challenge the fundamentals of what the Minister of Economics, Professor Erhard calls a free economy — with all these things, it is argued, Germany must be set on a safe, respectable new course. The menace of an aggressive Germany is past.

This last proposition may or may not prove to be true. But the assumption it rests on is highly questionable: that the present domestic pattern in Western Germany and the Federal Republic's position in the world as both have evolved over the last eight years are likely to prove enduring.

Prophecies in politics are usually wrong. But in the case of Western Germany it must always be realised that there are important factors working against the present dispensation.

One significant change came after the Federal elections. Adenauer's heir-apparent is no longer von Brentano, who could be expected to carry out the present Chancellor's testament and see to it that Western Germany remained a diligent member of the many international organisations to which she now belongs. To mention only a few, there are: NATO, the Council of Europe, Western European Union, the European Payments Union, the Common Market and the European Coal and Steel Community. The new heir-apparent is Ludwig Erhard, a physical symbol of the West German economic "miracle".

Erhard, and the majority of industrialists, whose confidence he has gradually won, do not have Adenauer's deep, almost religious faith in the organisations of Little Europe. In fact most leading industrialists in Western Germany regard the Coal and Steel Community as a nuisance and the Common Market as pretentious nonsense. This does not mean that they oppose Adenauer now. They are quite well aware that what the Chancellor does in this respect he does with clear United States' approval.

There are, however, certain industrialists, who have supported the Free Democrats rather than the Christian Democrats, who say bluntly that the Common Market is a Gallic trick to keep the tottering French economy upright. There are others to whom the approval or disapproval of America means little. Illicit trade with Eastern Germany in industrial goods, defined as strategic by the United States, is a sign of this. More openly a group of ten West German businessmen left for China only a week or so ago to examine ways and means of expanding trade with that country — an action showing little consideration for Washington's well-known susceptibilities. Hjalmar Schacht is one of a group of industrialists and bankers who plan to send German technicians to China to help in the Five Year Plan and who propose to train Chinese technicians in Germany. Alfred Krupp, with Olympian disdain for East-West tensions, arranges with a United States firm to invest in Canadian

iron mines while negotiating with the East German authorities about the construction of a steel mill in their territory.

While Adenauer is in office allowances are willingly made for his pro-American and Little European fads. But his Party's industrialist backers will expect a more businesslike attitude from his successor as a return for the money they have invested in the Christian Democrats. The rogue elephants like Krupp are not going to confine their main activities to the peripheral limits of Little Europe. Even lesser and tamer members of the herd feel that Little Europe offers them nothing much of practical value. Men like Herr Berg of the Federation of German Industry seem to think that Russian industrial competition is their greatest immediate threat and that the obvious defence would be close production and marketing agreements with British firms. He caused pious horror in London by appearing to suggest the formation of Anglo-German cartels. Whether his plan will ever be used does not affect the conclusion that he probably speaks for many industrialists who are completely unimpressed by the opportunities of the Common Market.

Factors tending to undermine Western Germany's membership of NATO are perhaps less obvious at the moment than those which militate against membership of Little Europe. But in the minds of the young men of Western Germany, the under-thirties who are conscripted but cannot vote, NATO means unavoidable military service. For everyone it means facing the problem of arms production with its attendant inflationary stresses. It means also that Germany is hopelessly exposed in the front line of a third world war.

Logically West German hopes reunification, and more especially of regaining the former Eastern territories, can only rest, in the present context of international relationship, on the collapse of the Communist regime in Russia and on an attendant crumbling of Soviet power in Eastern Europe. Even then the recovery of the lands beyond Oder and Neisse would need a successful German war against Poland. Of course the official policy of Adenauer and his Cabinet colleagues is that they will never go to war for these territories. But if that is so they should by now have renounced them. Even granting all the concealed wish-fulfilment which lies behind these demands, it is quite clear that a limited military adventure of this sort could hardly be prevented from starting a world war.

It may be presumed that the men and women who voted Christian Democrat on the 15th of September this year were voting for Erhard's brand of prosperity. If they thought about the Oder-Neisse territories or reunification with the East they were certainly not voting for a policy of military action to achieve Adenauer's stated objectives. A prolonged period of hostile co-existence between the two great power blocs would, however, drive home to the West German the extent to which their membership of one of those blocs puts German reu-



nification into the category of a political myth.

A reunited Germany could not be part of the Western power group (Adenauer's official vision of the restored Germany joining NATO is another political myth) or of Little Europe. Thus what is the most powerful political pull is Western Germany, even though it is sometimes obscured by more immediate and

mundane considerations, works against the present set-up.

Moreover it is inconceivable that the West German trade union movement will for much longer accept the rôle of a political deaf-mute conferred on it by the Government. Once it is again acting for the working class of Western Germany they will demand an end of its spurious political neutrality. That

might easily begin the end of the Christian Democrat era in Western Germany and the foreign policy that has gone with it.

Every modern state has within it forces and stresses which are leading to change. But probably nowhere in the world today is there a state so bounding with energy and at the same time so closely confined in an inappropriate mould as Western Germany.

## YUGOSLAVIA TODAY

### SESSION OF THE FEDERAL PEOPLE'S ASSEMBLY

#### — THREE SIGNIFICANT ECONOMIC DOCUMENTS —

D. JAKŠIĆ

THREE significant studies pertaining to the field of the national economy were in the forefront of public attention during the month of October.

First there was the Analysis of economic achievements during January–September 1957 which was submitted to the Federal Peoples Assembly by Mijalko Todorović Chairman of the Committee for Economic Affairs of the Federal Executive Council. This analysis points to the sustained growth and expansion of the Yugoslav economy in all fields. The increase of industrial production, lively investment activities, growth of foreign trade, and the excellent results accomplished in the field of agricultural production, all contributed to the extremely vigorous growth of individual spending. It is considered that the real salaries of workers and employees were raised by about 14 percent during January–September 1957 as compared to the corresponding period last year. Thus the targets planned for 1957 were exceeded.

The rise of the standard of living in 1957 is not the result of a policy which laid undue insistence on the promotion of spending while neglecting the other important economic activities. This is no momentary or temporary reorientation of the economic policy of the country. The increase of spending is due to the economic provision of the economic Plan and the ever greater stability of the national economy as a whole; substantial resources were previously invested also contributed largely to the results accomplished.

The analysis did not overlook nor omit to mention the highly significant increase of labour productivity especially in industry which is depicted by the comparative survey of production indices and the indices of employment levels.

Finally the analysis also called attention to a serious difficulty in the Yugoslav economy, i. e. the balance of payments deficit whose structure is not considered sound. There can be no doubt that the countries undergoing a phase of intensive economic development are bound to experience certain difficulties in their current balance of payments. But this deficit should ensue primarily from the purchase of equipment which will contribute to the faster development of the economy in the future. If the adverse balance of trade derives from imports of consumer goods, especially grain as in the case of Yugoslavia, such a tendency may justly be considered negative.

This analysis essentially pointed to the fact that there is every possibility, in view of the results accomplished and provided greater incentive is ensured for the achievement of still better results which would have a particular bearing on the improvement of the standard of living. Therefore a stable economic mechanism which would afford the necessary stimulus both to collectives and

individuals and open broad prospects to enterprises for the pursuit of a given policy within an extremely broad framework laid down by the provisions of the Plan and the investment policy adopted, is doubtless an indispensable pre-condition of further development and a logical sequel to all that has been achieved so far.

This task was partially assumed by the new Law on the distribution of total income of economic organizations. There were few draft laws which gave rise to such a lively and animated discussion of the broadest public. The draft foresees a much broader scope of activity for workers management in the Yugoslav enterprises while at the same time strengthening the material basis of workers management; according to the draft discussed, the funds which remain at the free disposal of the enterprise will be substantially augmented. The gist of this law is that after settling their obligations towards the community (this primarily refers to the contributions slated for the General Investment Fund and the funds accruing to the Federal Budget) the bodies of workers management in enterprises are entirely independent in the distribution of the remaining funds among the individual earnings of workers and employees and their investment funds. Fund would be levied for the municipal, district and republican and partly the federal budget by means of taxes on the individual earnings of workers and employees.

In view of the fact that the so-called obligations towards the community are largely of a fixed character and are not to any greater extent dependent on the volume of production and the business efficiency of the enterprises, it is obvious that the better and more economical organization of production and increase of productivity will be more evident than was the case so far in the funds which remain at the free disposal of the enterprise for distribution among the individual earnings of the workers and for the financing of the investment funds of enterprises. Consequently closer contact has been established between the interests of the community as a whole and the interests of the collective.

If the analysis of the economic trends during January–September revealed the vast possibilities for the further growth of the economy with the proviso that a stronger incentive be found in terms of a higher standard of living, then the draft law on the distribution of total income of economic organizations is an integral part of the mechanism which should enhance these stimuli still further with a view to ensuring the all-round progress of the economy and the promotion of the standard of living.

The Resolution on the development of general and individual spending may be considered a logical sequel to the above mentioned



two documents (the Analysis of the movement of the national economy during January–September 1957, and the Law on the distribution of income of economic organizations) is yet another extremely significant document enacted by the Federal Peoples Assembly. As known these resolutions together with the ones brought on previous occasions (on the development of agriculture, industry, building and construction etc.) as well as those forthcoming actually lay down the directives for a long-term plan of Yugoslav economic development.

By taking the resolutions on industry and agriculture, the foremost Yugoslav economic and producer branches, the Assembly actually (although indirectly) formulated the standard of living policy. It is understandable that the Resolution on the development of industry also foresees a given trend in the structure of industrial production (output of means of production, production of individual consumer goods etc.) thus also providing a material basis for the policy of the standard of living. This was decisive in our opinion for the enactment of the special Resolutions on individual and general spending, i. e. the fact that the course adopted towards the promotion of the standard of living is becoming a permanent feature of the Yugoslav economic policy, that the targets planned on which the standard is contingent are invested with a certain priority in case the general movement of the economy does not ensure the even and regular fulfilment of all the targets planned.

The emphasis laid on the standard of living as a factor of further economic development is no less significant; it is likewise known that it is impossible to bring about any appreciable rise of the standard without a proportionate increase of labour productivity. In view of such an inter-dependence of the standard of living and labour productivity and vice versa, the Assembly by its Resolutions adopted a policy which implies a steady improvement of the standard of living (needless to say in accordance with the general possibilities of the country), this bringing about an increase of productivity and working efficiency on this basis.

There can be no doubt that the Resolutions on the standard of living (future development of individual and general spending) occasion a series of other essential and methodological elements in Yugoslav planning. Thus for instance the Resolution on general expenditure in which the policy of economic prices of certain services and goods is laid down deserves particular mention in this context. Likewise the policy of general expenditure provides for the first time after the lapse of a longer period concrete measures and directives for the technical education of the workers, the training of skilled and highly skilled personnel without which any large scale development cannot be imagined.

These three documents, — the Analysis of the January–September economic results during which period the policy of raising the standard of living is very much in evidence (needless to say within the limits of our possibilities), the Draft Law on the distribution of total income which aims at the creation of a stronger incentives in the Yugoslav economy and the further consolidation of the system of workers management and last the Resolution on spending which include the standard of living as a factor of future development are all manifestations of a policy aiming at a more even, all-round and solid development.

## DOCUMENTS

### *Greek-Yugoslav Communiqué*

A Greek-Yugoslav communiqué was issued in Athens on October 23. The communiqué reads:

**A**T THE invitation of Constantine Karamanlis, the Greek Premier, Edvard Kardelj, Vice President of the Federal Executive Council, paid an official visit to Greece from 21st to 24th October 1957.

During the visit talks were conducted between Edvard Kardelj and Mr. Karamanlis. On the Yugoslav side were Mladen Iveković and Antun Vratuša; Under-Secretaries for Foreign Affairs, Mišo Pavčević, Yugoslav Ambassador to Athens, and Dragomir Petrović,

Counsellor in the Secretariat for Foreign Affairs, and on the Greek side were Mr. Skeferis, Foreign Under-secretary, Mr. Argiropoulos, Director General of the Foreign Ministry, M. Tsakalotos, Greek Ambassador in Belgrade, and M. Matsas, Chief of the First Political Department of the Foreign Ministry.

„These talks made it possible for discussions on questions of joint interest and of general significance and for the affirmation of the cordiality of Greek-Yugoslav cooperation.

„Both sides specially confirmed the wish to continue the existing cooperation between the two countries, a cooperation which is based, not only on the traditional friendship of the peoples of the two countries, but also on the determination of both Governments to respect the dignity, sovereign rights and special views of each of them on specific issues, as well as their international position.

„This is all the more realizable because of the great cordiality of views of both parties regarding the fundamental problems of peace.

„It was noted with satisfaction that this close cooperation of the two governments ensures peaceful and friendly coexistence of the two peoples and that it constitutes, in addition to this, a factor which serves peaceful relations in this part of the world.

„The two Governments, firmly adhering to the ideals of peace, are resolved to direct their efforts towards cooperation between all peoples, and consider that the consolidation of the prestige and authority of the United Nations Organization is of utmost importance for the fulfilment of that aim.

„Both parties are firmly convinced that the consolidation of peace, which must be the highest aim of all Governments and peoples, can be fulfilled only by sincere cooperation within the framework of the United Nations Organisation and by the full application of the principles of the UN Charter.

„Within this framework, the question of self-determination of the Cypriots was discussed; both parties noted the gravity of the question as well as the urgent need for its solution, taking primarily into account the justified demands of the Cypriots.

„The Greek Government expressed to the Yugoslav Government its sincere gratitude for the valuable aid extended to it in various phases of the Cyprus problem.

„After considering the difficulties existing on the plane of Balkan tripartite cooperation, both parties felt that it would be desirable to make efforts to remove the causes which have led to the present difficulties.

„The two delegations considered the international situation and exchanged views on important current problems. Discussion on those issues provided an opportunity of noting an identity of views on the need to do away with force as a means of solving international controversies and to intensify joint efforts for the application of peaceful methods in relations among nations.

„The Middle East situation, which requires serious and constant attention, was a subject of special consideration. Both Governments, which maintain friendly relations with all the Arab countries, are convinced that the full respect of the dignity, independence and vital rights of these countries, as well as the recognition of the material requirements of their peoples constitute the most important conditions for the creation of the lasting factors of peace and stability in this area.

„During the mentioned talks the delegations also considered concrete questions pertaining to direct relations between the two countries. Both parties agreed to set up a mixed commission with the object of advancing economic, technical and cultural cooperation between Yugoslavia and Greece. This mixed commission will meet at latest within three months.

„The talks were conducted in an atmosphere of sincere friendship, the result of the close relations between the two peoples“.

(Published in „Politika“ and „Borba“ on 24th October 1957).



# Statement of Yugoslav State Secretariat for Foreign Affairs on Bonn's Decision To Break Off Relations With Yugoslavia

The Yugoslav Secretariat for Foreign Affairs on 19 October issued the following statement in connection with the decision of the Federal Republic of Germany to break off relations with the Federal People's Republic of Yugoslavia:

TODAY, 19th October 1957, the Government of the Federal German Republic informed the Yugoslav Government about its decision to break off diplomatic relations between the Federal German Republic and the Federative People's Republic of Yugoslavia.

"In the letter of the Foreign Minister of the Federal German Republic of October 19th this year, to the Yugoslav Ambassador in Bonn, this decision of the Federal German Republic is explained by the alleged principled attitude of the Government, which makes it impossible to maintain diplomatic relations with a country which simultaneously maintains such relations with the Government of the German Democratic Republic.

"This unilateral and arbitrary act of the Government of the Federal German Republic, which is not customary in relations between states in peacetime, has been received with extreme dissatisfaction by the public opinion and Government of the Federal People's Republic of Yugoslavia, who also consider it hostile. This policy of the Government of the Federal German Republic is not and cannot be in keeping with the interests of peace, international cooperation or the principles of the United Nations Charter. The grave character of this act is even greater since it has been undertaken against such a country as Yugoslavia, whose entire activity, more than that of any other country since the war, has given proof of her independent and constructive policy of developing democratic international relations, in conformity with the interests of peace and on the principles of active peaceful coexistence. This act has been taken by the Government of the Federal German Republic precisely against a country which was the greatest victim of aggression in the two world wars.

"This severance of diplomatic relations cannot be assessed otherwise than as a harsh attempt to impose on our country a policy which is contrary to its interests and to the interests of peace.

"The Federative People's Republic of Yugoslavia is a sovereign and independent country which takes its decisions independently and on which such influence cannot be exercised. The peoples of Yugoslavia justifiably expected that the Government of the Federal German Republic, having learned a lesson from the negative experiences of the past, would with due understanding, make efforts to remove the mistrust and consequences of that past. Unfortunately, the Government and peoples of Yugoslavia see precisely in this decision to sever diplomatic relations a proof that the Government of the Federal German Republic supports outdated and negative tendencies in international relations, relying on the policy of force and pressure to impose solutions which suit its political concepts.

"It should be stressed that the Federative People's Republic of Yugoslavia, despite the unfortunate past, was one of the first

countries to recognize the Federal German Republic and enter into diplomatic relations, with that country, making great efforts to see that these relations should be mutually useful. In view of the fact that the Federative People's Republic of Yugoslavia is not a member of any bloc and that it consistently pursues a policy of cooperation with all countries on the principles of mutual respect, equality, non-interference in internal affairs, which logically follows from the policy of active coexistence, this act of the Federative German Republic must necessarily be understood as an attempt to hinder this Yugoslav policy, which has won international recognition.

"Viewed from this standpoint, the act of recognition of the Democratic Republic of Germany by the Federative People's Republic of Yugoslavia will contribute to the strengthening of peace and international cooperation, while its act of severance of diplomatic relations with Yugoslavia is, on the contrary, directed against the interests of peace, international cooperation and, consequently, against German unification as well.

"The letter of the Foreign Minister of the German Federal Republic asserts that the decision of the Yugoslav Government to recognize and establish diplomatic relations with the Democratic German Republic constitutes interference in the internal affairs of Germany, as well as hindering the Federal German Government's policy of "relaxation" in its relations towards the eastern European countries.

"Neither the above mentioned assertions correspond to the facts. The Federal German Government's pressure which is still exerted towards Yugoslavia with the object of influencing the political course of the Yugoslav Government, has now assumed the form of harsh reprisals, and constitutes an act of direct and impermissible interference by the Government of the Federal German Republic in the internal affairs of Yugoslavia.

"The objection made by the Government of the Federal German Republic that the establishment of diplomatic relations between the Federative People's Republic of Yugoslavia and the Democratic German Republic hinders the Federal German Government's alleged policy of "relaxation" towards the eastern European countries is nothing but a calculated attack on Yugoslavia, which is consistently and definitely pledged to the policy of understanding and cooperation between the East and the West. It is clear, in fact, that precisely the above-mentioned decision would have aided the Government of the Federal German Republic in its pursuit of this policy. Obviously, therefore, its objection is aimed at something quite different from what is set forth in the above-mentioned letter.

"Despite this hostile act of the Federal German Republic, which is not customary in present international relations, the Yugoslav Government will continue to make efforts to develop friendly relations with the German people, firmly convinced that the Federal German Government's step in the further development of events, will be recognised both by the German people and the world public, to be detrimental to the interests of peace, to those of the German people themselves, as well as to the interests of German unification."

The text of this statement was handed on October 21 to Dag Hammarskjöld United Nations Secretary-general by Koča Popović, Yugoslav Foreign Secretary, with the request that all the UN member-states should be informed of its contents.

## FOREIGN TRADE

### SIX MONTHS OF SUCCESSFUL FOREIGN TRADE

THE VALUE of Yugoslavia's foreign trade in the first six months of this year was 151,620 million dinars, i.e., 34,303 million greater than in the same period of last year. This was the greatest volume of trade in any six-month period after the war.

Of the total value of trade, exports accounted for 51,843 million and imports for 99,677 million dinars. Accordingly, there was the high trade deficit of 47,834 million dinars. But despite this

business circles say that this year's foreign trade was successful: first, because the exports were greater than in any previous year and, second, because a high volume of imports is a normal phenomenon in the first half of every year. In this period large quantities of raw and semi-manufactured material are imported to ensure the normal functioning of industry and economic life in general, while a contrary tendency sets in the second half of the year, i. e., after



the harvest there are decreases in imports and increases in exports. But in addition to this it must be mentioned that the deficit in trade is covered by credits secured for the purchase of agricultural surpluses in the United States and of capital equipment in the Soviet Union and other countries (Poland, Italy, West Germany, Czechoslovakia).

#### THE STRUCTURE OF EXPORTS AND IMPORTS

IT IS noteworthy that the structure of imports and exports has changed. The following table shows the value (in millions of dinars) of the exports and imports of different products in the first six months of 1956 and 1957.

	Export		Import	
	1956	1957	1956	1957
Foodstuffs	11,482	10,761	27,073	28,262
Beverages and tobacco	4,806	3,632	0	3
Raw materials	9,282	11,302	13,306	16,872
Fuels and lubricants (animal and vegetable)	345	1,094	6,823	10,036
Fats	9	13	1,208	2,134
Chemical products	1,925	2,889	5,017	6,644
Semi-manufactured goods	10,965	15,954	7,322	14,562
Machines	1,873	2,721	12,665	19,016
Finished products	1,293	2,401	1,407	1,773
Other goods	473	1,085	43	375
Total:	42,453	51,843	74,864	99,677

The increase in the exports of semi-finished products from 11 billion dinars in the first half of 1956 to 16 billion in the first half of 1957, of exports of machines from 1.8 to 2.7 billion dinars and of finished products from 1.3 to 2.4 billion dinars, was due to the general increase of industrial production, and to the fact that many Yugoslav industrial branches produce such high-quality goods that they can successfully compete with foreign firms.

The decrease in the export of foodstuffs (maize, livestock, meat, eggs and tobacco does not give cause for anxiety. Certain factors retarded the exports of foodstuffs in the first six months — factors which encouraged such export last year. Egg prices were much lower than last year, and maize was not exported this year at all. Tobacco exports last year exceptionally large — owing to shipments to China — while this year, tobacco exports to some of the East European countries were considerably delayed.

The import of all consumer goods increased appreciably, with the exception of foodstuffs. The determination to improve the supply of consumer goods, together with greater investments in the expansion and modernization of industrial production, caused a sharp rise in the imports of manufactured products and machines. On the other hand, the expansion of industry demanded greater quantities of raw material, fuel and lubricants.

#### REGIONAL DISTRIBUTION OF EXPORTS AND IMPORTS

SIGNIFICANT changes took place in the direction of Yugoslav foreign trade between the first half of last year and this. South America, however, was the only region where Yugoslav trade was not increased. The following table shows the value of Yugoslav export and import exchange with different regions in the January-June period of 1956 and 1957 (in millions of dinars).

	January-June 1956		January-June 1957		Difference
	Exports	Imports	Exports	Imports	
Total	42,453	74,864	51,843	99,677	- 47,834
OECE	24,434	26,444	28,687	35,012	- 6,325
Other European countries	165	15	380	173	+ 207
Eastern Europe	8,867	9,482	10,900	17,181	- 6,281
Asia	2,579	4,538	3,368	6,534	- 3,166
Africa	886	1,547	2,417	2,593	- 176
North America	4,173	29,986	5,664	36,138	- 30,474
South America	1,346	2,444	422	1,463	- 1,041
Australia and New Zealand	3	408	5	583	- 578

The East European countries were this year also "important trading partners of Yugoslavia. The Soviet Union, which supplies Yugoslavia with coking coal, oil, factory installations and other products and buys meat, tobacco, cables, rolled and drawn non-ferrous metal goods, various industrial products and chemical raw materials, absorbs about 40% of Yugoslav exports to that region. Trade with Czechoslovakia, Hungary, Poland and Eastern Germany has not yet developed as much as it could. The chief obstruction to greater trade with these countries is the restricted volume of Yugoslav purchases of industrial goods, which chiefly constitute their exports.

Trade with the countries of Asia is expanding. But it is still in its initial phases, i.e., in the process of establishing direct trading relations. The economic mission of Svetozar Vukmanović, Vice-President of the Federal Executive Council, who is now touring South-East Asia and Far Eastern countries, shows how much importance is attached to the expansion of economic cooperation with those countries.

The increase of exports to the United States has pleased the Yugoslav exporters, whose interest in that important market is constantly growing. The exchange of economic delegations, Yugoslavia's participation in the New York Fair and the displays by American businessmen at the Zagreb Fair, were organized actions designed to promote trade between the two countries.

The changes in the foreign currency regulations in Brazil and Argentina brought about serious decreases in Yugoslav exports to their markets, so that trade with the entire region of South America was somewhat retarded. But although the period of adaption to the newly — created situation lasted perhaps longer than should have been necessary, it would be wrong to consider that these markets are of no value to Yugoslavia. Lately trade with that area has been revived, and there are chances that the decline in trade in the first half of the year may be made up for to a certain extent in the second half.

The increase in Yugoslav industrial production by 22% over last year's output, the good harvest, and the policy of economic cooperation with other countries in accordance with mutual interests, are all encouraging factors, and it is to be hoped that Yugoslavia's foreign trade will continue to expand.

#### MEETINGS AND TALKS

VISIT OF VICE-PRESIDENT KARDELJ TO GREECE — Edvard Kardelj, Vice-President of the Federal Executive Council, left on October 21 for an official visit to Greece. During his stay Vice-President Kardelj conducted talks with Mr. Karamanlis, Greek Premier, and his associates. Mr. Kardelj paid a courtesy call on King Paul of Greece. After the talks an official communique was published. While touring Greece Mr. Kardelj visited places containing the most famous cultural and historical monuments.

RETURN FROM VISIT TO ASIAN AND AFRICAN COUNTRIES — The delegation headed by Svetozar Vukmanović, Vice-President of the Federal Executive Council, returned to Yugoslavia on October 20. During its two and a half months' tour the delegation visited Indonesia, Thailand, Cambodia, D. R. Vietnam, Japan, China, Mongolia, Burma, India, Ceylon, Pakistan and Ethiopia. On his way home, Vukmanović stopped in Cairo to call on President Nasser. The object of his tour was to consolidate this countries friendship and cooperation with the Asian and African countries.

ARRIVAL OF INDONESIAN MILITARY DELEGATION — An Indonesian military delegation headed by Raden Hidayet, Deputy Minister of Defence, on October 20 arrived in Yugoslavia, where they spent twenty days as guests of the Yugoslav Army.

ECONOMIC DELEGATION RETURNS FROM USA — The economic delegation headed by Avdo Humo, Secretary for Finance, returned from USA to Belgrade on October 24. Talks were conducted in Washington with the United States Government representatives on outstanding questions of economic cooperation, and the delegation took part in the proceedings of the annual meeting of the International Monetary Fund and the International Bank for Reconstruction and Development.



Mr. MORRIS PATE, DIRECTOR GENERAL OF UNESCO, was on a visit to Yugoslavia from October 23 to 31, when he had talks with representatives of the Yugoslav National Committee for UNESCO.

Yugoslavia has always supported the work of this specialized agency of the United Nations, making her contribution to its funds regularly. And in 1957 UNICEF in turn granted Yugoslavia assistance amounting to 650,000 dollars for the improvement of children's welfare.

#### SOCIALIST ALLIANCE

A DELEGATION OF THE SOCIALIST PARTY OF JAPAN paid a visit to Yugoslavia from October 26 to 31 at the invitation of the Socialist Alliance of the Working People. The delegation was headed by *Tesu Katahaya*, Special Counsellor of the Party and member of Parliament. Other members of the delegation included *Sadataka Sata*, member of the Party's Executive Committee, Director of its Bureau for International Relations and member of Parliament, *Kacyiro Nagai*, President of the Party's Political Committee and Chief of the Special Committee for the Study of International Trade, *Satiro Matsumoto*, member of the Party's Executive Committee and Chief of its Press Department, *Yuzo Avayo*, member of the Central Executive Committee of the socialist party and chief of its press, *Yoiti Yamato*, member of the Central Executive Committee and Secretary of the Labour Relations Department, and *Tisato Tatebayasi*, Secretary of the Party Bureau for International Relations.

During their visit, the Japanese guests had talks with the leaders of the Socialist Alliance of the Working People of Yugoslavia, and studied some problems of Yugoslavia's political development.

A group of 35 officials of the Socialist Party of Italy, who are working in the Party Federation of Bologna, were on a visit to Yugoslavia in the first half of October. The group was led by *Silvano Armorolli*, member of the Party's Central Committee. During their visit the Italian guests visited Rijeka, Zagreb, Belgrade and Ljubljana where they studied the system of local self-government in Yugoslavia.

An Anti-Colonial Congress of the Mediterranean and the Middle East will take place in Athens from October 31 to November 5.

The Congress has been called by the Anti-Colonial League of Greece, in cooperation with several international organizations for the liberation of colonies as well as with independent movements in the countries of the Near and Middle East. At the invitation of the organizers, the Congress was attended by the following delegates from Yugoslavia: *Milijan Neoritić*, member of the Federal Board of the Socialist Alliance of the Working People, *Dr. Miloš Žanko*, member of the Main Board of the Socialist Alliance for Croatia, *Miroslav Vitorović*, Editor-in-Chief of the Belgrade daily, „Borba“, and Professor *Jože Gotičar* of Ljubljana University.

#### TRADE UNION FEDERATION

Delegates of the Trade Union Federation of Yugoslavia attended, as observers, the Fourth World Trade Union Congress in Leipzig, which took place from October 4 to 15. The Congress was called by the World Trade Union Federation. In addition to delegates of the trade unions enrolled in the World Federation, the congress was attended by observers of other trade union organizations, representing about 13 million members.

A congress of the West German Postal Workers, which was held in Berlin from October 14 to 18, was attended by a delegate of the Yugoslav Postal Workers' Trade Union as a guest.

Two delegates of the Yugoslav Building Workers' Trade Union attended, as guests, the congress of the West German Trade Union of Building Workers (IG BAU, Steine, Erden) in Cologne October 14 to 19.

Representatives of the Yugoslav Agricultural Workers' Trade Union paid a visit to Italy from October 16 to 26, as guests of the National Trade Union of Italian Agricultural Workers.

The President of the Central Board of the Federation of Yugoslav Trade Unions, *Djuro Salaj*, on October 3 received a delegation of the Rumanian Transport and Postal Trade Union. The Rumanian delegation was on a week's tour of Yugoslavia, thus returning the visit a delegation of the Yugoslav transport Workers' Trade Union paid to Rumania at the end of August.

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## CULTURAL AND SCIENTIFIC INSTITUTIONS

The Yugoslav Foreign Cultural Relations Commission, in cooperation with the Belgian Ministry of Education, opened an exhibition of 17th Century Flemish Art in Belgrade on October 15. The works displayed are a selection of the most famous pieces from the various Belgian Art Galleries, notably from Antwerp and Brussels. Leo Col-lard, Belgian Minister for Education, and Lod Creabeck, Mayor of Antwerp, came to attend the opening ceremony, and had conversations with prominent Yugoslav state and political officials.

A Yugoslav cultural delegation, headed by Krsto Crvenkovski, arrived in Warsaw on October 16. The delegation talked with representatives of the Polish Ministry of Culture and about the possibility of expanding cultural relations between the two countries.

Professor Herald Norinder, Swedish scientist, was in Yugoslavia in the first half of October. He delivered a series of lectures on research into atmospheric changes at scientific institutions in Ljubljana, Zagreb and Beograd.

A delegation of Yugoslav universities left Belgrade for a visit to the Soviet universities, at the invitation of the Soviet Government. The delegation was led by Dr. Borislav Blagojević, President of the Community of Yugoslav Universities and Rector of Belgrade University. During their two weeks visit to universities and other educational institutions, the Yugoslav delegates gave a series of lectures on the organization of universities and university training in Yugoslavia.

As it has been learned, that a group of Yugoslav writers will probably leave for Czechoslovakia in November to return the visit the Czech authors, Frantishek Rahlík and Jurchi Havel, paid to Yugoslavia at the beginning of October.

## YOUTH ORGANIZATIONS

On 23 of October three representatives of the Central Committee of the People's Youth Organization of Yugoslavia left for Rome to attend, as observers, the congress of the International Union of Socialist Youth. As is known, the People's Youth Organization of Yugoslavia is not a member of the Union, but it is interested in some of its actions, as well as in cooperation with various national youth organizations which are its members.

On October 22 a group of delegates of Polish student journals arrived in Yugoslavia for a week's visit to Yugoslav students. The Polish delegates were guests of the Belgrade student paper, "Student", and they had talks with Yugoslav students about the problems of the student press.

## COOPERATIVE ORGANIZATIONS

A Yugoslav agricultural delegation, led by Paško Romac, president of the Main Cooperative Union of Yugoslavia, paid a visit to Rumania in mid-October.

A delegation of the Central Cooperation Union of Bulgaria was on a tour of Yugoslavia from October 19 to 29. The Bulgarian delegates were guests of the Yugoslav Cooperative Union.

## OTHER CONTACTS

On October 17, delegations of the Federal Executive Council and of the Yugoslav Red Cross left for New Delhi, where they attended the Twelfth International Red Cross Conference and the Twenty-Fourth Meeting of the Council of the Governors of the League of Red Cross Societies. The delegations were headed by Dr. Pavle Gregorić, member of the Executive Council and President of the Red Cross, and Dr. Olga Milošević, Secretary General of the Red Cross.

The seventh meeting of the General Assembly of the World Federation of Veterans, whose president is the Yugoslav Colonel-General, Miloje Milojević, was held in West Berlin from October 28 to November 1. This meeting was attended by six delegates of the Yugoslav Association of Veterans and the Association of War-Disabled.

A delegation of the Union of Women's Societies of Yugoslavia visited China, India and Egypt in September and October. Towards the end of their tour, the two members of the delegation had talks with representatives of various women's societies and associations of Egypt.

## NEGOTIATIONS AND AGREEMENTS

**TRADE TALKS IN WARSAW** — A Yugoslav trade delegation, headed by Toma Granfil, Director General of the Yugoslav Bank for Foreign Trade and consisting of officials of the Committee for Foreign Trade, various industrial chambers, and representatives of the Foreign Secretariat, arrived in Warsaw on October 15. The delegation will sign a trade agreement for 1958 and an agreement on trade exchange for the 1958—1960 period, with representatives of the Polish economy. It is anticipated that these talks will bring about a 25% increase in the trade exchange between the two countries.

**SMALL FRONTIER TRAFFIC** — The mixed Italian-Yugoslav Commission for the implementation of the agreement on minor frontier traffic is sitting in Ljubljana to discuss the improvement of bus routes between Italy and Yugoslavia, as well as the question of simplifying the procedure on issuing passes for minor frontier traffic. Karel Forte, the head of the delegation, declared in connection with this that cooperation was developing successfully and mentioned as an example over four million crossings of the frontier both ways, in a period of nine months.

**GOODS EXCHANGE WITH THE DEMOCRATIC GERMANY** — An agreement on goods exchange and an agreement on payment traffic for 1958 between Yugoslavia and DR Germany was signed in Belgrade October 19. The agreement provides for mutual exchange of goods to the value of 24 millions dollars.

**HEALTH COOPERATION WITH POLAND** — A Yugoslav delegation headed by Dr. Herbert Kraus, Secretary for Public Health





# "FAGRAM"

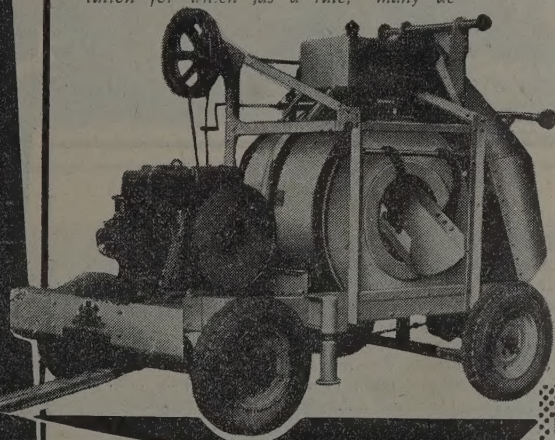
## GET TO KNOW YUGOSLAV INDUSTRY

### FAGRAM: THE BEST CONSTRUCTIONAL MACHINES IN YUGOSLAVIA

Smederevo has been famous for centuries, not only for the walls of its monumental medieval fortress, but also because of its excellent grapes and wines, which enjoy a worldwide reputation. And now Smederevo has also been winning renown of late, both in Yugoslav economic circles and in those of many other countries on account of its factory of constructional engineering machinery, FAGRAM. Thus this old town has acquired a new feature while a young industrial collective has won significant recognition for its endeavours.

What is the secret of FAGRAM's success?

It must be said straight away that FAGRAM owes nothing to tradition and time. In a few years FAGRAM has succeeded in earning a reputation for sound business — a reputation for which, as a rule, many de-



cadences of work are necessary. FAGRAM has shown very convincingly that there is no goal that cannot be attained. Nor does FAGRAM owe its rapid development to the market demand for constructional machines. Competition is strong: another ten larger or smaller Yugoslav industrial plants are manufacturing constructional machinery and some of them have a longer tradition and a greater capacity than FAGRAM, yet the latter meets 60 per cent of the Yugoslav requirements in constructional machinery.

What is the secret of FAGRAM's success?

Constructional machinery of the FAGRAM make is to be seen operating on all the building sites in Yugoslavia. These machines have earned the greatest praise and recognition, ensuring for themselves an unrivalled position even in the republics where factories of constructional machinery exist and enjoy a good reputation: in Slovenia, Macedonia, Montenegro etc. The FAGRAM products are also well received in foreign countries — in Turkey, Egypt, Syria, the Lebanon, India, Brazil and others. The trade mark of

## FAGRAM

### CONSTRUCTIONAL ENGINEERING MACHINERY PLANT

SMEDEREVO

Yugoslavia

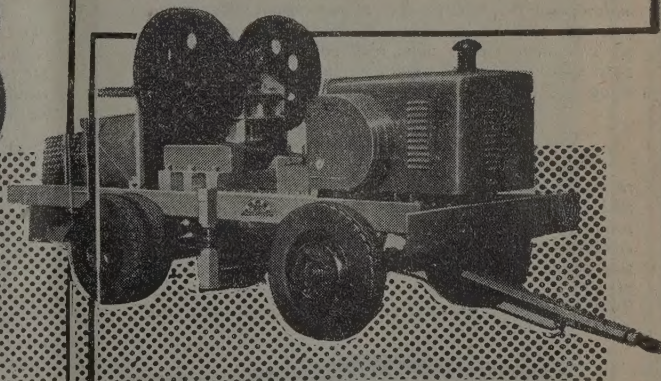
FAGRAM today enjoys a clear advantage over the manufactures of many otherwise renowned producers of constructional machinery.

What is the secret of FAGRAM's success?

For businessmen throughout the world good quality and solidity of goods are sufficient guarantee. The FAGRAM constructional machinery revealed such structural and operating qualities that these machines quickly won a reputation on the building sites where they were put to test of wear and tear, and the demand for them soon increased. They are unrivalled as regards the durability of the material from which they are made, their effective work and the quality of the product. In addition to the unanimous recognition of engineers and workmen who handle FAGRAM constructional machines, we should also mention that of the Federal Chamber of Construction and the Institute for Testing Building Materials. So the FAGRAM constructional machines have earned the most important commendations: those of the users and those of the laboratory experts.

FAGRAM's success is the result of good quality.

FAGRAM's success is the result of solidity of manufacture.



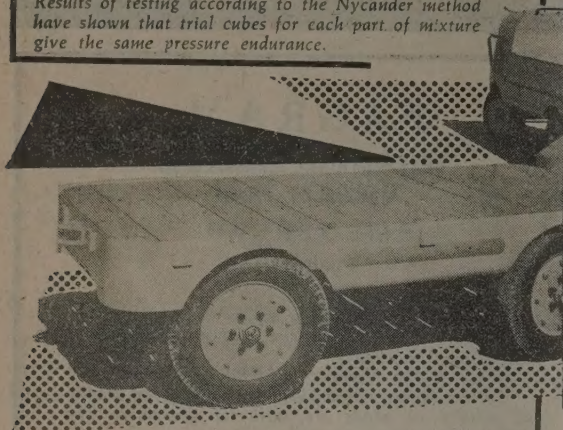
### CONCRETE MIXER

The best concrete mixer in Yugoslavia — and the one most in demand — is the „Smederevo BM 1-52“ manufactured by FAGRAM. This machine, which has proved its solid qualities in many foreign countries where it was exported, is the type of mixer with horizontal drum axle with independent and forced mixing. Simple to operate, easily movable, accurate and constructed for long service, it is a mixer of the best type both in view of performance and economy. Electric or Diesel drive ensures unhindered work on any site. The possibility of a regular supply of original spare parts by the factory or its service stations is one of this machine's advantages over other mixers.



The nominal capacity of the „Smederevo“ BM 1-52 is 250 litres with an hourly capacity (30 mixings per hour) of 7.5 m<sup>3</sup> driven by a 7 PH engine or by a 6 kw electric motor. The approximate weight of the mixer with a Diesel engine is 2200 kgs, and with an Electric motor 2000 kgs.

Tests for ascertaining the quality and homogeneity of the concrete have given the best results. Results of testing according to the Nycander method have shown that trial cubes for each part of mixture give the same pressure endurance.



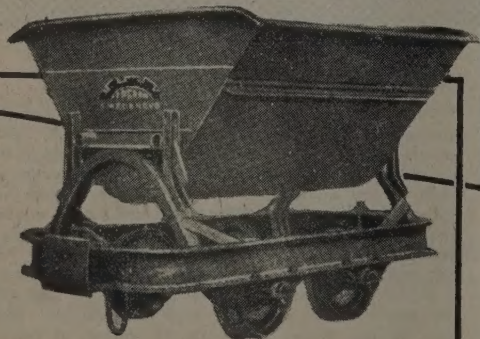
#### THE „SMEDEREVO“ MOBILE STONE CRUSHER

with screen has been designed for crushing and sorting stone in the building of roads, and for other constructional purposes. It consists of a driving motor, devices for crushing, a rotary screen and base on wheels. The crusher is driven by electric diesel motor by means of an open belt transmission. The front part is mobile which provides for easy manoeuvrability on a small area. It is also adaptable for traction. Its simple structure makes the „Smederevo“ crusher practical, reliable, economical and durable.

Technical details: inlet opening: 400–250 mm., outlet opening: maximum 65 mm., minimum 40 mm., capacity 6–8 m<sup>3</sup>, Diesel motor power 20 HP, electric motor power 15 KW, number of revolutions of excentre axle 275–300/min., number of revolutions of screen per min., length 6198 mm., with pole 7780 mm., width 1470 mm., height 2315 mm., weight with Diesel motor 4,500 kgs and with electric motor 4,250 kgs.

#### COMPRESSOR 702

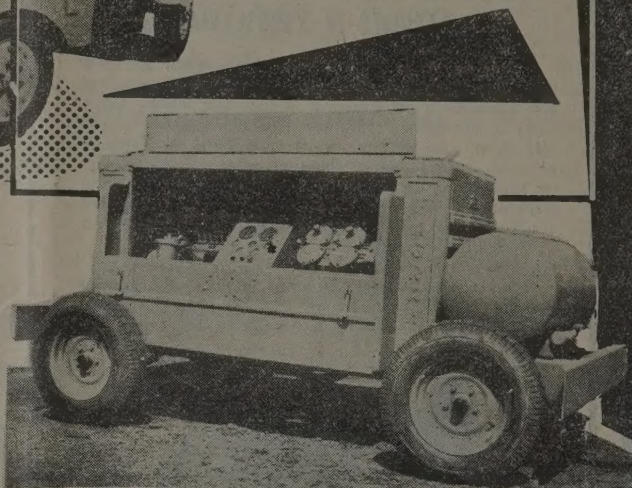
Double-grade compression ensures economical operation of the compressor with a much lower expenditure of power compared with the single-grade compressor of the same capacity. Efficacious air-cooling replaces cooling with water and eliminates all difficulties in this connection. When there is a reduced consumption of air, the compressors is automatically unburdened. The distributive valve serves for decompressing the



high pressure cylinders, closing the filter opening for sucking in air and connects the intermediate cooler with the atmosphere. The compressor is unburdened when pressure rises to 7.2 kgs/cm<sup>2</sup>. In this way power and time are saved, with a small consumption of air.

Compressor 702 is driven by a vertical four-gear sixcylinder „Perkins“ S 6 Diesel motor. The motor is water-cooled, and is joined to the compressor by means of an oiled hydraulic coupling.

Technical details of the compressor: number of revolutions 1400 per. min., capacity 6 m<sup>3</sup>/min., work pressure 7 kgs/cm<sup>2</sup>. The „Perkins“ motor S 6 — number of revolutions 1400 per min., power 74 HP, fuel consumption 15 litres per hour.



#### COMPRESSOR 700

The two-grade FAGRAM compressor ensures a 25 per cent saving of power compared with a single-grade compressor of the same capacity. At a time of limited air consumption, the compressor is unburdened automatically (when the pressure rises to 7.2 kgs/cm<sup>2</sup>), resulting in a saving of power.

Technical details for the compressor: number of revolutions 1400 per min., capacity 3 m<sup>3</sup> per min. work pressure 7 kgs/cm<sup>2</sup>, „Perking“ P 4 motor-number of revolutions 1400 per min., power 32 HP, fuel consumption 7.68 litres per hour.

#### WAGONETTES

Wagonettes of the FAGRAM make are manufactured of high quality materials with welded construction. Fully serving for transportation of earth, gravel, stone, sand, mixed concrete etc., this type proves very suitable for work at building sites. They are very mobile and do not require much driving power. Running gears are of cast iron or cast steel. The wagonettes are built, with or without brakes, for 0.75 m, 0.60 m., and 0.55 m. gauges. Holding capacity is 0.75 m<sup>3</sup> — the same for all of the above-mentioned gauges.

#### TIP WAGONETTE WITH BRAKE

This serves for transportation of material on sloping ground sites where brakes are required. No great strain for the operator is necessary as power is transmitted to the wheels through a brake handle and



lever system. The length of the wagon is 2500 mm, the width 1350 mm, height above rails 1200 mm, distance between axles 450 mm, dead weight 500 kgs.

#### TIP WAGONETTE WITHOUT BRAKE

For 0.76 m. gauge, primarily for use in flat areas. The maximum length of the wagon is 1830 mm, width 1350 mm, height above rails 1200 mm, distance between axles 450 mm, dead weight 450 kgs.

#### PIT WAGONETTE „RADUŠA“

Made for 0.50 m and 0.60 m gauges. Used for transportation of various ores and raw materials, it has proved suitable for mechanical haulage. This wagonette is manufactured of UNP sections and steel sheets. Running gears are of cast steel. Holding capacity 0.5 m<sup>3</sup>, length 1420 mm, height 1080 mm, and width 745 mm, distance between axles 450 mm.

#### PIT WAGONETTE ART. 830

This wagonette is of sturdy construction, manufactured of good quality materials. Its front is made with a radius on which rests the bumper. Running gear is of special construction supplied with taper roller bearings. Distance between wheel axles 600 mm., length 1850 mm., height above rails 1155 mm., width 850 mm.

The wagonette is provided with forged tool clutches.

#### PLATO WAGONETTE

This wagonette is made with or without flooring, for 0.60 m. and 0.76 m. gauges.

It is suitable for transportation of timber, rails, sheet structures and sundry bulky materials. The frame is made of UNP welded section.

Wagon length for 0.60 gauge is 1900 mm, width 1200 mm, distance between axles 500 mm.

The length of the wagon for 0.76 m. gauge is 2400 mm, width 1600 mm and distance between axles 550 mm.

#### FAGRAM'S 25 PRODUCTS

During the last few years FAGRAM has developed intensive activity in production. The list of FAGRAM's manufactures includes 25 different articles, some of which are made by licence from well-known firms (for instance the compressors are licenced by the Belgian firm, „Arpig“), but most of the products are the result of the factory's own efforts to realize up-to-date solutions in the production of constructional machinery. The enterprise has its own foundry for the production of various castings.

Great interest has been aroused by the 3 and 5 ton motor trucks, of which experts speak very highly. Also noted for their excellent quality are the asphalt mixer, mortar mixer, bitumen machine FAGRAM type 1500, boiler for melting bitumen, spraying machine for bitumen (capacity 500 lit.) sprinkler for cold emulsion, building crane with 800 kgs. lifting power, rotary screen, pillar crane etc.

The Yugoslav exporters of FAGRAM products are the well-known agencies for foreign trade: INVEST-IMPORT, Belgrade, Terazije 5, Yugoslavia and RUDNAP, Belgrade, Vuka Karadžića 6, Yugoslavia. INVEST-IMPORT has agents in Cairo, Beirut, Istambul, Ankara, Rangoon, Sao Paolo and New Delhi. RUNDAP is represented in Damascus. FAGRAM has its own consignment warehouse in India.





in the Federal Executive Council, returned from Poland, where they signed an agreement, providing for the promotion of cooperation between the two countries regarding all questions of health service and scientific research into public health security. A mixed Yugoslav-Polish commission will be set up to contribute towards the fulfilment of this agreement.

**NEGOTIATION WITH CZECHOSLOVAKIA** — Economic negotiations between Czechoslovak and Yugoslav delegation took place in Prague on October 23. The Yugoslav delegation was headed by Ivica Gretic, Vice-chairman of the Committee for Foreign Trade, and the Czechoslovak delegation by Oto Kotsour, Assistant Minister of Foreign Trade. During the negotiations, the question of trade exchange in 1958 were discussed, as well as a longterm agreement on goods exchange and utilisation of credit arrangements, industrial cooperation, etc.

## DIARY

October 16 — The Federal National Assembly discussed the draft Resolution on the long-range development of personal consumption as well as the draft Resolution on the long-range development of general consumption. An address was given by Milentije Popović, a member of the Federal Executive Council. Petar Stambolić, President of the Federal National Assembly, who led the parliamentary delegation on its visit to China, read a report about his journey.

October 17 — The Federal National Assembly adopted the Resolution on personal and general consumption. Mijalko Todirović, a member of the Federal Executive Council, read a report on the movement of economy during the first nine months of the year. Svetislav Stefanović, Secretary for the Interior, was elected a member of the Federal Executive Council.

October 20 — Elections for municipal councils of the People's Committees were held in Croatia, Slovenia and Macedonia.

October 24 — A ceremonial meeting was held in Beograd on United Nation Day. Ninko Petrović, President of the United Association of Serbia, spoke at the meeting about the significance of this holiday.

October 26 — Elections for municipal councils of the People's Committees were held in Serbia and Bosnia-Herzegovina.

## DIPLOMATIC CHRONICLE

October 16 — President Tito received a courtesy call from M. Edouard Anseele, Belgian Minister of Communications and distinguished Socialist Party leader.

October 19 — The West German Government broke off diplomatic relations with Yugoslavia. The Yugoslav Secretariat for Foreign Affairs issued a statement on this occasion.

October 23 — The Government of the Kingdom of Sweden accepted the request of the Yugoslav Government that the Swedish Embassy in Bonn should look after the interests of Yugoslavia in the Federal German Republic.

## Our New Contributors

**TANASIJE MLADENOVIC:** Writer, People's Deputy, and Secretary of the Department for Education at the Federal People's Assembly. After the war, held various important posts as a public worker.

**ANTON VRATUŠA:** State Under-secretary in the Federal Executive Council. Previously held the post of Minister Plenipotentiary in the State Secretariat for Foreign Affairs.

**JAN TINBERGEN:** Professor at the Dutch High School for Economic Science. Took a doctors degree from physics at Leiden University. Member of the Dutch Academy of Science. Author of many remarkable works from the domain of economy.

**SLOBODAN VUJOVIĆ:** Collaborator at the Institute for Study of Workers Movement. Previously was in the diplomatic service in Milan.

**ŽIVORAD JEFTIĆ:** Collaborator at the Institute for International Politics and Economy. Before coming to this post was a journalist in the Radio-Belgrade.

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